

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Australia and New Zealand Banking Group

ANZ20QON: Dr LEIGH: Given what I know about behavioural economics, I'm anticipating that those who are most likely to be sticky and less likely to take the time to call may well be some of the most vulnerable customers. Would it trouble you if that were the case?

...

Mr Elliott: ...

So there are some behavioural aspects, but, as I said, I am happy to go and look at whether there are any demographic indicators that suggest that, because that would trouble me if that were the case.

Dr LEIGH: I would be grateful if you could share that analysis with the committee.

Hansard pp. 38-9, 15 November 2019

Answer: Analysis which Mr Elliott was referring to is publicly available at:

<https://www.ausbanking.org.au/millions-of-australians-switching-financial-products/>

Additional relevant analysis, albeit concerning transaction accounts rather than mortgages, has been conducted by RFI Research. We have replicated it below with RFI's permission. 'PTA' refers to 'primary transaction account'.

AUSTRALIAN SAVINGS & DEPOSITS COUNCIL - TRANSACTIONS

What drives PTA provider choice?

For accounts opened in the last 2 years, trust is the key driver of choice. Internet banking, recommendation and service have also become more important for account opened more recently

What prompted you to open the everyday/transaction account you use the most with your PTA provider?

	By account tenure			
	5 or more years ago	2 - 5 years	In the last 24 months	Total
I trust this institution	25%	34%	33%	27%
Branch locations	25%	21%	20%	24%
ATM locations	22%	25%	20%	22%
This institution was already my MFI	26%	16%	10%	22%
I had a pre-existing banking relationship	24%	17%	12%	22%
The internet banking	19%	27%	28%	22%
Recommendation	18%	24%	27%	20%
Positive customer service with current provider	16%	24%	24%	18%
Monthly fees	13%	19%	20%	15%
A change in my circumstances	12%	13%	18%	13%
Fee waivers	8%	9%	11%	9%
It came with a package deal	7%	12%	7%	8%
The brand of the provider aligns with my personal values	6%	10%	9%	7%
Extent of mobile phone banking capability (including mobile payments e.g. Apple Pay or Google Pay)	3%	11%	10%	5%
Low overseas transaction fees	4%	10%	7%	5%

Base: Transaction account holders (Jul-19: 5 or more years ago: n=1,359, 2 - 5 years: n=350, In the last 24 months: n=205, Total: n=1,914)
Note: Respondents were given the option of 'I'm not sure' for account tenure, these responses have been removed for analysis