

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ37QW:

Some banks have recently changed the default payment amount for mortgage holders, so that borrowers pay only the minimum amount.

(a) Have you done this?

(b) If so, how many borrowers does it affect?

(c) If not, why have you decided not to take this approach?

Answer:

(a) No, ANZ has not defaulted home loan customers onto their minimum repayment. Customers are able to change their home loan repayment to the minimum amount required through Internet Banking or our Contact Centre at their own discretion.

(b) Not applicable.

(c) All of our home loan customers are different, and ANZ's preference is to give customers the choice to reduce their repayments to the minimum should they believe this is in their best interests. Reducing a customer's repayments to the minimum, whilst freeing up cash flow in the short term, does have impacts, such as paying more interest over the life of the loan, which may not align to the customer's long term interests. Where customers want to adjust their repayments to the minimum amount, we have made it simple to do so either through Internet Banking or our Contact Centre. We have recently updated our Internet Banking pages to include clear step by step instructions for customers on how to modify their automated loan repayments, including to the minimum required loan payment, and included a 'How To Guide' and prompts on the Direct Loan Payment screen.