

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

NAB

NAB64QW:

In the recent House Economics Committee hearing, you noted that your bank no longer sells credit card insurance.

(a) For customers who previously purchased credit card insurance, have you taken steps to identify those who were sold the product when they were not eligible to claim on it? (For example, insurance to cover job loss but the customer was unemployed or retired when they purchased the product)

(b) If credit card insurance customers purchased your product when they were not eligible to claim on the policy, have you refunded them the cost of the policy?

Answer:

(a) In September 2018, plaintiff law firm Slater and Gordon commenced a class action in the Federal Court of Australia against NAB and MLC Ltd in relation to NAB Credit Card Cover (NCCC). NCCC was the credit card insurance product sold by NAB.

In the class action, allegations were made against NAB in connection with the issuance and sale of NCCC to class members.

On a non-admissions basis, NAB agreed to settle the class action and on 8 May 2020 the Federal Court approved the settlement which involved a payment of \$49.5m.

In approving the settlement, the Court was satisfied as to it being fair, reasonable and in the interests of the class members bound by it.

(b) NAB has not directly refunded customers sold NCCC policies. Settlement payments to any individual class members are being managed and determined by Slater and Gordon.