

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

NAB81QW

- (a) Does your bank sell consumer credit insurance? If so:
 - (i) Why?
 - (ii) Does your bank sell consumer credit insurance on home loans? If so, what is the cents in the dollar payout ratio?
- (b) If your bank once sold consumer credit insurance products but has stopped selling these products, what has your bank done to remediate customers who paid for these products in the past?

Answer

- a) No
 - (i) N/A
 - (ii) N/A
- b) NAB previously sold three types of consumer credit insurance, National Credit Card Cover (NCCC), NAB Personal Loan Cover (PLC) and National Mortgage Protect (NMP).

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 NCCC. In June 2019 this action was expanded to include PLC.

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.

NAB completed a voluntary remediation program in December 2020 for all customers who purchased an NMP policy.