

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Westpac Banking Corporation

WBC20QW: With reference to the bank's payment term policy or policies that the bank applies to its suppliers of goods and services, and customers of its goods and services:

(a) whether they are consistent between the purchase and sale of goods and services?

(b) in reference to (a), if not, why not?

(c) in reference to (a), if not, will the bank bring them into consistency?

Answer: Westpac has a very diverse customer base across retail, SME and institutional banking and a diverse set of products, each with its own payment terms, reflecting the nature and risk of the product.

The payment terms for suppliers of goods and services to the bank are not necessarily consistent with the payment terms for financial services provided to customers as the arrangements are generally different. For example, a commercial supply agreement is a different arrangement compared to a home loan product.

For most of Westpac's ongoing products and services payment terms include monthly payment options. However, for some products, the customer can choose to pay on a more frequent basis (e.g. for loans, the customer often has the choice as to whether they wish to make repayments weekly, fortnightly or monthly). In addition, we provide a range of tools, such as online banking, to enable customers to manage and monitor their accounts. Where a consumer and small business borrower fails to meet their loan repayment arrangements, we offer additional assistance, such as through our hardship policy.

We regularly review all our products to ensure they are meeting the needs of customers, which would include considering any changes to payment terms.