

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

#### ME Bank

**MEB04QW:** [In reference to Question in Writing ME12QW, ME Bank responded that it had 'Personal Loans – 22 accounts' and that 'All 22 Personal Loans have been established as a result of isolated operational errors, or as part of a collections management strategy'. Therefore please complete the table on the next page for all 22 loans.

**Answer:** As advised in ME Bank's response to Question in Writing ME12QW:

- "Isolated operational error" refers to a situation where funds were inadvertently paid into an incorrect customer's account, that customer then withdrew and used those funds, and ME Bank subsequently negotiated a commercial agreement for that customer to repay the amount either in full or part, over time, without interest. This approach is consistent with the approach taken by other banks in similar circumstances.
- A collections management strategy is an agreed financial arrangement with a customer who has fallen into arrears, to repay that debt, including arrears, over an extended period.

Please see table below.

De-identified Loan	Loan product (ie, personal, home, etc)	At initial loan contract signing				At point of applied interest rate <0.25 per cent				Reason
		Date of issue (dd/mm/yyyy)	Value (\$)	Applied interest rate (%)	Length of loan (years)	Date of adjustment (dd/mm/yyyy)	Total loan value (\$) (As of the adjustment date)	Remaining unpaid loan (\$) (As of today)	Applied interest rate to remaining loan (%)	
<b>Collections Management</b>										
1	PL	21/08/2009	\$25,000	12.49	5 years	24/11/2011	\$25,935.50	\$10,780.40	0.00%	Collections Management
2	PL	27/09/2012	\$35,000	13.59	7 years	19/08/2014	\$ 31,985.81	\$8,800.00	0.00%	Collections Management
3	PL	18/07/2013	\$37,000	12.99	7 years	10/12/2014	\$34,908.51	\$9,845.72	0.00%	Collections Management
4	PL	16/01/2014	\$50,000	12.99	7 years	03/09/2014	\$51,021.25	\$20,967.53	0.00%	Collections Management
5	PL	25/03/2014	\$43,000	12.99	7 years	20/11/2017	\$25,864.88	\$12,878.68	0.00%	Collections Management
6	PL	07/04/2014	\$15,000	12.99	5 years	14/10/2015	\$11,366.70	\$5,886.07	0.00%	Collections Management
7	PL	05/02/2015	\$50,000	11.99	7 years	11/03/2020	\$20,374.92	\$19,137.68	0.00%	Collections Management
8	PL	26/02/2016	\$15,000	11.99	7 years	01/04/2020	\$ 8,075.90	Written off or paid off	0.00%	Collections Management

								during last two months		
9	PL	11/07/2016	\$50,000	11.99	7 years	20/11/2017	\$45,943.84	\$34,819.16	0.00%	Collections Management
10	PL	11/11/2016	\$24,000	11.99	3 years	17/10/2017	\$20,015.80	\$11,497.10	0.00%	Collections Management
11	PL	30/01/2017	\$8,000	12.49	3 years	17/10/2017	\$7,119.29	Written off or paid off during last two months	0.00%	Collections Management
12	PL	23/07/2018	\$30,000	12.49	7 years	20/03/2020	\$25,541.77	\$24,460.25	0.00%	Collections Management
13	PL	05/10/2018	\$40,000	10.98	7 years	22/04/2020	\$30,978.00	Written off or paid off during last two months	0.00%	Collections Management
14	PL	21/03/2019	\$5,000	10.98	3 years	10/03/2020	\$3,462.58	Written off or paid off during last two months	0.00%	Collections Management
15	PL	08/04/2019	\$23,000	10.98	5 years	01/04/2020	\$21,705.16	\$95.00	0.00%	Collections Management
<b>Operational Error</b>										
16	PL	22/03/2016	\$10,000	0.00	7 years	22/03/2016	\$10,000	\$3,933.85	0.00%	Operational Error

<b>17</b>	PL	16/11/2017	\$18,631	0.00	7 years	16/11/2017	\$18,631	\$11,533.22	0.00%	Operational Error
<b>18</b>	PL	20/12/2017	\$14,006.16	0.00	7 years	20/12/2017	\$14,006.16	\$8,926.80	0.00%	Operational Error
<b>19</b>	PL	22/10/2018	\$28,197.44	0.00	6 years	22/10/2018	\$28,197.44	\$19,580.00	0.00%	Operational Error
<b>20</b>	PL	08/01/2019	\$16,697.22	0.00	2 years	08/01/2019	\$16,697.22	\$4,699.48	0.00%	Operational Error
<b>21</b>	PL	17/01/2019	\$15,000	0.00	7 years	17/01/2019	\$15,000.00	\$12,580.00	0.00%	Operational Error
<b>22</b>	PL	06/02/2019	\$29,000	0.00	7 years	06/02/2019	\$29,000.00	\$23,130.92	0.00%	Operational Error