

**House of Representatives Standing Committee on Economics
Review of Australia's four major banks**

Questions in Writing – Hearing of 24 February 2026

Australia and New Zealand Banking Group Limited

Committee Chair, the Hon Ed Husic MP

Question 1:

In the bank's risk models, what weight is given to a customer's debt utilisation and repayment consistency compared to their income?

Answer:

In ANZ's credit risk framework, a customer's capacity to repay is evaluated separately from their debt utilisation or repayment consistency.

In accordance with its responsible lending obligations, the bank has policies and processes in place to ensure that affordability and capacity to repay form a central part of each consumer credit assessment. Each affordability assessment makes inquiries into the customer's financial situation, and their requirements and objectives. Reasonable steps are taken to verify this information in order to assess the customer's capacity to repay.

ANZ also assesses the customer's willingness to repay. This assessment draws on a range of models that incorporate behavioural indicators of credit risk, including patterns in debt utilisation and repayment activity. In that assessment, debt utilisation and repayment patterns are considered factors and are used as inputs in our internal credit risk models. The weighting applied to these behavioural factors reflects their relative predictive strength compared with other variables.

Question 2:

Does the bank's internal risk models allow customers to move to lower risk categories - and thus attract lower interest rates - based on demonstrated behaviour, regardless of income level?

Answer:

ANZ assumes this question concerns consumer credit cards.

Interest rates for credit card products are linked to the product rather than the customer's risk profile.

Existing customers can apply to transfer to a credit card product that better suit their needs, including to a lower interest rate credit card.

Question 3:

How much does the bank pay in scheme fees to Visa and Mastercard?

(a) How much of these fees are rebated each year?

(b) Does the bank receive volume incentive bonuses as part of its commercial agreements with the schemes?

Answer:

ANZ issues Visa-branded cards and pays Visa various categories of fees for participation in the Visa payment service. This includes core fees (which includes card service fees and data processing fees) and other non-core fees.

ANZ also receives incentives (also known as 'rebates') from Visa and some of these are volume based.

For each year, the amount of the rebates received from Visa does not exceed the amount of the core fees paid by ANZ.

These fees and incentives are subject to a confidentiality agreement.

Question 4:

I understand that there are legitimate costs in the payment system associated with interchange fees, such as scam prevention, cyber security infrastructure, and dispute resolution. However, there's limited transparency over the extent to which the major banks profit from what has become essential infrastructure.

Has the bank's revenues from fees (less costs) associated with a card transaction increased or decreased in the last 10 years?

Answer:

ANZ's costs relating to card management and innovation have increased over the last 10 years. For most cards, fees on customer card transactions have decreased.

Question 5:

On average, what margin does the bank price its international payments for consumers?

Answer:**ANZ note regarding the Hon Ed Husic MP's questions Q5-Q8**

Given the subject matter, ANZ assume that questions 5 through 8 are asking about international money transfers (IMT) product rather than card transactions. However, in the interests of assisting the Committee where possible we have provided some related detail about card payments.

Card payments

For overseas transactions, ANZ currently charges an Overseas Transaction fee, which is a percentage of the transaction amount. On consumer credit cards, ANZ charges 3.5% of any overseas transaction using an ANZ credit card.

For more information about fees on credit cards, see

<https://www.anz.com.au/content/dam/anzcomau/documents/pdf/credit-card-fees-charges.pdf>

IMT

For retail customers, ANZ prices international payments as a margin over the prevailing wholesale mid-market exchange rate.

ANZ supports the G20 objective of improving affordability and transparency in cross-border payments. As part of an ongoing pricing review, ANZ continues to evolve product and review pricing.

For more information about transfer fees, see www.anz.com.au/personal/travel-international/international-payments/

Question 6:

On average, what margin does the bank price its international payments for its bigger business customers?

Answer:**Card payments**

ANZ charges an overseas transaction fee on ANZ Corporate Cards used by bigger business customers. The fee is not standardised and depends on a range of commercial and risk considerations.

IMT

Pricing for ANZ's Institutional and Corporate business customers is not standardised, with some customers accessing individually negotiated FX margins. Pricing outcomes vary depending on factors such as transaction volumes, channel and the broader banking relationship.

Question 7

Does the bank price its margins differently for currency routes from AUD to various markets for consumers?

Answer:

Card payments

Visa provides the international transaction capability on ANZ-issued credit cards. Credit card payments in foreign currencies incur a foreign exchange fee.

IMT

FX pricing varies by currency routes based on customer requirements and to reflect objective market factors such as foreign exchange volatility.

Question 8:

How much does the bank charge in terms of fixed fees for these payments for consumers and small businesses?

Answer:

We assume this question is asking about international payments.

Card Payments

When customers use their ANZ card to make an international payment, they will be charged an Overseas Transaction Fee which is a percentage of the transaction value (see Q5).

There are no other ANZ fees specifically related to the international aspect of a card transaction, unless it overlaps with another fee type – for example a customer using an overseas ATM may incur fees associated with using that overseas ATM.

IMT

Fixed fees, where applicable, vary by channel and region and are charged separately from FX margins.

For example, fees may differ between digital self-service channels and assisted channels such as phone banking and may be waived for certain regions or transaction types. ANZ is progressively simplifying and reducing fee structures across its digital international payments channels and the below is subject to change.

As of 20th March 2026:

- Foreign Currency transfer fees for consumers may range from \$0 to \$9. All foreign currency payments to Pacific countries have fees waived
- Australian Dollar transfer pricing differs by channel and region. The fee for an Internet Banking IMT is \$18, phone banking is \$32 and Pacific is \$7.

More information about ANZ's international money transfer fees can be found here:

www.anz.com.au/personal/travel-international/international-payments/

Question 9:

How much revenue does the bank make from consumer international payments? Break this down between card payments and online transfers.

Answer:

We respectfully note that ANZ does not publicly release product level revenue details for commercial reasons, including to maintain confidentiality with respect to our competitors.

The revenue generated from the international payments service we provide our retail customers is reflective of the demand for service, the pricing applied (which reflects risk and cost) and the level of competition within the market.

It also reflects our commitments to support certain customers segments. In particular, ANZ has committed to maintaining its existing fee-free offering for foreign currency International Money Transfers made via ANZ retail digital channels into the Pacific over the life of the 10 year guarantee we entered with the Australian Government last year. This commitment is to help support the flow of funds and remittances into the region.

ANZ's revenue from international payments is divided roughly equally between card payments and online transfers.

Mr Jerome Laxale MP

ANZ note to Mr Jerome Laxale's Questions 1-7

ANZ customers can access merchant acquiring services through ANZ Worldline. This is a joint venture between ANZ and Worldline, in which ANZ holds a minority interest.

Question 1:

Who ultimately determines chargeback rules in Australia? Who has oversight over this?

Answer:

Chargeback or 'dispute' rules are determined by the payment scheme operators who operate payment systems (e.g. Visa, Mastercard, eftpos, UPI).

ANZ issues cards which operate on the Visa and eftpos schemes.

ANZ Worldline acquire transactions operating on all the above schemes.

Question 2:

Do you assess whether the allocation of dispute cost is balanced?

Answer:

The scheme that processes a transaction will set the cost for raising a chargeback dispute for that transaction.

The acquirer (ie the financial institution that processes credit and debit card payments on behalf of a merchant) will determine how much of this cost they pass on to the merchant involved in the transaction.

The issuing bank (the financial institution that provides debit or credit cards to consumers on behalf of card networks like Vias) will incur a cost as well. As an issuer, ANZ does not pass on this cost to its customers.

Question 3:

Do you monitor fraud within the chargeback framework? Has it increased/decreased?

Answer:

Yes, ANZ monitors fraud within the chargeback framework ie customers who have been the victim of fraud and use the chargeback regime to recover funds.

Of these kinds of chargebacks, ANZ has observed a reduction of 9.8% between FY24 and FY25.

Question 4:

How do global platforms contribute to dispute resolution costs?

Answer:

As described in response to question 2 above, the scheme that processes a transaction will set the cost for raising a chargeback dispute for that transaction.

Question 5:

Is the current framework fair to small business?

Answer:

We assume this question is referring to the chargeback rules framework and to small business merchants' ability to defend a chargeback dispute raised against them under this framework.

We understand that there will be a range of perspectives on whether the framework is fair to small businesses. We expect the schemes and acquirers will have a better perspective on how the framework affects small business.

That said, we would note that the framework applies consistently for all merchants, irrespective of size. This means that small businesses are afforded the same protections as larger businesses.

The schemes provide guidelines and processes for dispute resolution. This includes opportunities for merchants, including small businesses, to defend the chargeback.

For example, certain scheme rules may allow for merchants to provide evidence that can be used to link the cardholder and the transaction and dispute cases that may involve chargeback fraud. An example of this is a rule that would enable a merchant to prove that a package was delivered by providing photographic evidence of the package having been delivered.

In addition, there are solutions available to merchants (e.g. 2 factor verification) which significantly reduce chargeback risks for merchants by verifying customer identity and often shifting liability to the card issuer.

Question 6:

Are you aware of “chargeback fraud” impacting small businesses - where small businesses ship goods, then funds are withdrawn from them following a potentially fraudulent chargeback claim?

(a) If so, have these rates risen or reduced?

(b) What data do you have of instances of occurrence of above, or similar, phenomenon?

Answer:

ANZ is aware of “chargeback fraud”, whereby customers attempt to dispute a legitimate transaction, claiming it was unauthorised or not received, even though this is not the case. As an issuing bank, we do not have specific reporting on the rates of this form of chargeback fraud.

Prior to raising a dispute through the relevant scheme, ANZ will complete due diligence by questioning the cardholder to confirm, for example, whether the transaction was authorised by themselves or anyone known to them.

The dispute will be withdrawn where there is evidence is provided by the merchant through the dispute process proving that the customer was either involved in the transaction or in receipt of the goods/service.

Question 7:

What steps are you taking to limit “chargeback fraud”?

Answer:

In accordance with applicable scheme rules, ANZ (as a card-issuer) takes steps to limit “chargeback fraud”, including:

- ensuring that a customer who raises a dispute claiming fraud provides any required evidence;
- ensuring that the chargeback is for one of the reasons permitted under the relevant scheme rules; and
- considering any response or evidence provided by the acquirer.

In addition, ANZ takes steps to identify indicators that a customer may be seeking to exploit the chargeback process, for example by submitting multiple chargebacks. Our process would be to conduct further investigation if such indicators are identified.

Acquirers may encourage merchants to protect themselves by using security tools to validate online transactions where customers are required to complete verification (e.g. two factor authentication) which may mean that a chargeback is not permitted under certain scheme rules.