

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Securities and Investment Commission

Question No: 168

Topic: Data about minimum repayments on credit card interest

Reference: Written

Senator: Ketter, Chris

Question:

1. Does ASIC/ACCC have data about the number and proportion of consumers paying credit card interest, or paying only minimum repayments (or slightly above)?
2. If ASIC/ACCC does not have this data, can ASIC/ACCC obtain data using its information gathering powers about the number and proportion of consumers paying credit card interest, or paying only minimum repayments (or slightly above)?

Answer:

1. ASIC does not hold this information (including on a credit card issuer level). We note that issues related to interest paid on credit card debt were considered by the Senate Standing Committee on Economics' inquiry into Matters relating to credit card interest rates. Chapter 2 of that report contains estimates of the proportion of consumers who pay interest on credit card debt.

Report found at:

http://www.apf.gov.au/Parliamentary_Business/Committees/Senate/Economics/Credit_Card_Interest/Report/c02

2. ASIC has broad information gathering powers under the *National Consumer Credit Protection Act 2009*. ASIC has recently commenced a project relating to credit cards; this project may consider issues relating to the repayment experience of consumers as well as relevant current industry practices (including the responsible lending assessments that are undertaken by the credit card provider prior to the card being issued to the consumer). We may use our information gathering powers to assist with our project.