

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ41QW:

Westpac has publicly stated that it will defer repayments on credit cards for COVID-19 affected customers (Westpac Freezes Credit Card Charges for COVID-19 hit customers, *The Age*, 24 April 2020). Therefore, can you please advise:

- (a) What processes do you have in place to identify credit card customers who have been impacted by the COVID-19 pandemic?
- (b) How many credit card customers have requested deferrals of repayments related to the COVID-19 pandemic?
- (c) How many credit card customers have you identified as impacted by the COVID-19 pandemic?
- (d) For those credit card customers that you have identified as impacted by the COVID-19 pandemic:
 - (i) What is the accumulated value of the credit card debt?
 - (ii) What is the average value of the credit card debt?
 - (iii) What is the accumulated value of the credit card limit?
 - (iv) What is the average value of the credit card limit?
 - (v) What is the accumulated value of the credit card monthly repayments?
 - (vi) What is the average value of the credit card monthly repayments?
- (e) What deferral options are available for credit card customers that you have identified as impacted by the COVID-19 pandemic?

ANSWER:

(a) Personal credit card customers who may have been impacted by the COVID-19 pandemic can request support by contacting us by phone or requesting a call back online. We will call customers back as soon as possible. They will not be disadvantaged by any delay in ANZ contacting them. When we SMS customers to remind them that their credit card payment is due, we also advise them that COVID-19 assistance packages are available.

The data below provided in response to questions (b), (c) and (d) is as of the end of May 2020. It concerns the number of accounts for which assistance has been sought, not the number of customers.

(b) Minimum monthly payments on 8,595 personal credit card accounts have been deferred. Other forms of assistance have been provided to 978 accounts. Customers have sought assistance and require a call back in respect of a further 12,615 accounts.

(c) We have been contacted about assistance in respect of 33,054 personal credit card accounts. Of these, customers of 10,866 accounts have subsequently advised that they no longer require assistance.

(d) The information in this answer is based on the 33,054 personal credit card accounts for which assistance has been sought. This number of accounts includes accounts where customers have subsequently advised us they no longer require assistance (see response (c)). It is not based on the number of personal credit card accounts which have had their minimum monthly payments deferred.

(i) \$258,067,078

(ii) \$7,773

(iii) \$376,179,799

(iv) \$11,330

(v) \$5,374,319

(vi) \$162

(e) Personal credit card customers can take a number of steps to manage their credit card debt, including transferring to a product with lower interest rates, changing credit limits, and setting up direct payments.

Customers can also request a support package that includes payment deferral of minimum monthly payments, a reduced interest rate, waiving of fees and a restriction on card use for up to six-months, with a review at three-months.

During the deferral period, interest will continue to accrue on the balance outstanding at the reduced rate, leaving customers who make no payments during this period with a higher outstanding amount at the end of the period.

If a deferral is not appropriate for a customer, they can talk with our hardship team about an individual approach.