



## **Competition and Consumer (Price Inquiry— Retail Deposit Products) Direction 2023**

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I, Jim Chalmers, Treasurer, give the following direction to the Australian Competition and Consumer Commission.

Dated 14 February 2023

Dr Jim Chalmers  
Treasurer

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## Part 1—Preliminary

### 1 Name

This instrument is the *Competition and Consumer (Price Inquiry—Retail Deposit Products) Direction 2023*.

### 2 Commencement

- (1) Each provision of instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

### 3 Authority

This instrument is made under the *Competition and Consumer Act 2010*.

### 4 Definitions

**authorised deposit-taking institution** has the meaning given by the *Banking Act 1959*.

**goods** has the meaning given by subsection 95A(1) of the Act.

**inquiry** has the meaning given by subsection 95A(1) of the Act.

**price** has the meaning given by subsection 95A(1) of the Act.

**retail deposit product** means a protected account (within the meaning of the *Banking Act 1959*) held by:

- (a) an individual whose dealings in relation to the account are for personal or housing purposes; or
- (b) the trustee of a self managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*).

**services** has the meaning given by subsection 95A(1) of the Act.

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***State or Territory authority*** has the meaning given by subsection 95A(1) of the Act.

***supply*** has the meaning given by subsection 95A(1) of the Act.

***the Act*** means the *Competition and Consumer Act 2010*

## **Part 2—Price inquiry into retail deposit services**

### **5 Commission to hold an inquiry**

- (1) Under subsection 95H(1) of the Act, the Commission is required to hold an inquiry into the market for the supply of retail deposit products. The inquiry is *not* to extend to any of the following:
  - (a) the supply of a good or service by a State or Territory authority;
  - (b) the supply of a good or service that is an exempt supply;
  - (c) the conduct of the Australian Prudential Regulation Authority or the Australian Securities and Investments Commission;
  - (d) the conduct of a mortgage broker;
  - (e) reviewing the operation of any Australian law (other than the Act) relating to prudential regulation, banking or the provision of credit, except as necessary to consider the matters set out in section 6.
- (2) For the purposes of subsection 95J(1), the inquiry is to be held in relation to goods and services of the following description:
  - (a) retail deposit products supplied by authorised deposit-taking institutions; and
  - (b) products for the provision of credit supplied by authorised deposit-taking institutions, to the extent that these products are relevant to the matters mentioned in subparagraph 6(d)(ii) of this instrument.
- (3) Under subsection 95J(2), the inquiry is *not* to be held in relation to the supply of goods and services by a particular person or persons.

### **6 Directions on matters to be taken into consideration in the inquiry**

Under subsection 95J(6) of the Act, the Commission is directed to take into consideration all of the following matters in holding the inquiry:

- (a) the rates of interest paid on amounts deposited or held in retail deposit products, including with reference to any differences in rates of interest:
  - (i) depending on the amount deposited or held; and
  - (ii) between new and existing customers; and
  - (iii) depending on any other products held by the customer; and
  - (iv) between those publicly advertised and those actually paid to customers; and
- (b) terms and conditions, other than interest rates, on which retail deposit products are supplied, including:
  - (i) fees and charges paid by account holders; and
  - (ii) restrictions on customer access to deposited funds; and
- (c) supplier strategies in relation to retail deposit products, including supplier approaches to setting interest rates on retail deposit products; and
- (d) supplier decisions relating to terms and conditions (including interest rates) on which retail deposit products are supplied in light of changes in the

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Reserve Bank of Australia's target for the cash rate (which is the overnight money market interest rate), including:

- (i) the timing of supplier announcements of interest rate changes and their implementation of those changes; and
  - (ii) any differences in approach taken towards setting interest rates on retail deposit products and products for the provision of credit; and
- (e) the nature and extent of price and non-price competition in the supply of retail deposit products, including:
- (i) barriers to entry and expansion in retail deposit product markets; and
  - (ii) innovation in retail deposit product markets; and
  - (iii) factors that affect customers switching to alternative retail deposit products, including the extent and existence of supplier practices and strategies, consumer behaviour, and the availability of information on products; and
- (f) the use of retail deposit products as a source of funding for suppliers' provision of credit, including:
- (i) the significance of retail deposit products in the funding of suppliers; and
  - (ii) the cost of using retail deposit products as a source of funding, compared to other sources of funding; and
  - (iii) how the factors listed in subparagraphs (i) and (ii) differ according to the size and business model of the supplier.

### **7 Period for completing the inquiry**

For the purposes of subsection 95K(1) of the Act, the inquiry is to be completed, and a report on the matter of inquiry given to the Treasurer, by no later than 1 December 2023.