

[REDACTED]

From: [REDACTED]
Sent: Monday, 24 April 2023 4:07 PM
To: Financial Services Competition
Subject: Retail deposits inquiry Ministerial Direction

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Good Day,

As an [REDACTED] and a necessary depositor with the Banks it has been disconcerting to find how quickly interest rates for Savers are reduced and yet increases follow slowly behind rising interest rates for Borrowers.

To obtain the best rate one has to contend with difficult conditions applied to these types of accounts, having to continually move funds between low interest and high interest accounts. When doing this, great care has to be taken so as not to find one has been disqualified from the euphemistically named Bonus rate for a particular month.

The use of a low basic rate and high Bonus rate I believe is a ploy used by the Banks as it increases the possibility of a costly error on the part of Borrowers while trying to manage their funds for the best interest outcome.

It is also sad to witness the media's enthusiasm for reporting on reducing interest rates, waiting with bated breath to report each rate reduction while ignoring their effect on Savers/Investors. As soon as the cycle turns they never stop complaining.

I am fully aware that because I need the security offered by Banks I will of necessity earn a lower rate of return than using investments with higher degrees of risk. However Savers/ Investors are looked upon as simply a necessary appendage and a cheap source of Capital albeit a fluctuating one.

Sincerely

[REDACTED]