



**Our ref: MA1000023**

10 May 2023

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By email: [naveen.ahluwalia@mfaa.com.au](mailto:naveen.ahluwalia@mfaa.com.au)

Dear Ms Ahluwalia,

**Re: ANZ proposed acquisition of SBGH Limited**

1. We refer to the application for merger authorisation lodged with the Australian Competition and Consumer Commission (the **ACCC**) on 2 December 2022 by Australia and New Zealand Banking Group Limited (**ANZ**). ANZ is proposing to acquire 100% of the issued shares of SBGH Limited (which owns 100% of the shares of Suncorp Bank) from Suncorp Group. The application for authorisation and all public submissions made in relation to the application are published on the ACCC's [website](#).
2. To assist the ACCC's review, the ACCC requests Mortgage & Finance Association of Australia (**MFAA**) provide the information set out in **Attachment A** by **4:00pm on 17 May 2023**.
3. If MFAA claims confidentiality over some or all of the information provided to the ACCC, please highlight the specific information in your response over which confidentiality is claimed. The ACCC accepts information on a confidential basis provided:
  - there is no restriction on the internal use, including future use, that the ACCC may make of the information consistent with its statutory functions;
  - the confidential information may be disclosed to the ACCC's external advisors and consultants on condition that each such advisor or consultant will be informed of the obligation to treat the information as confidential; and
  - the ACCC may disclose the confidential information to third parties (in addition to its external advisors or consultants) if compelled by law or in accordance with section 155AAA of the *Competition and Consumer Act 2010* (Cth).

More information is available in the [ACCC's guidelines](#) for excluding confidential information from the public register.

4. Subject to our consideration of any request for exclusion from the public register, a public version of MFAA's response to this letter (with any confidential information redacted) will be placed on the ACCC's public register. This letter will also be published on the public register.
5. If you wish to discuss any aspect of this letter, please contact Winnie Cheung on (03) 9290 1425 or at [Winnie.cheung@acc.gov.au](mailto:Winnie.cheung@acc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ellie Dwyer', with a long horizontal flourish extending to the right.

Ellie Dwyer  
Director A/g  
Merger Investigations

## Attachment A

### Home loans

1. Describe in detail the process brokers undertake to assist their customers to source the best home loan product, including:
  - a. what type of information brokers typically seek from customers
  - b. the key factors that brokers consider in determining the suitability of home loan offers for their customers and the weight brokers place on these factors (for example, the extent to which accessibility of a bank's branch or physical presence of a lender is a relevant factor)
  - c. whether brokers generally compare home loan offers from lenders on their panels only or give preference to those lenders' offers (rather than seeking other options)
  - d. whether brokers typically approach lenders to negotiate home loan offers on their customers' behalf and the extent to which brokers share information about other lenders' offers to facilitate negotiations for a better deal
  - e. how long negotiations with lenders take (on average) and the extent to which lenders are willing to adjust their offers because of the negotiation process
  - f. how many lenders/offers brokers would generally shortlist for their customers
  - g. what technology platforms brokers use to collect, compare and share information about lenders' home loan offers.
2. State whether your response to question 1 would vary if a customer were seeking to refinance an existing home loan rather than seeking a new home loan, and if so, how.
3. Describe how lenders seek to compete for brokers' business, which lenders do this well and why.
4. State which lenders stand out as being very responsive to competition from other lenders (for example, during negotiations with brokers, or in their willingness to provide discounts to win customers).
5. Explain whether brokers generally have good visibility over all lenders' mortgage rates (net of all discounts – published and unpublished/bespoke). In particular:
  - a. If brokers' visibility of different lenders' home loan mortgage rates varies, in what way do they differ? Has Commonwealth Bank of Australia's recent (November 2022) change to its home loan marketing – specifically, its move to more transparent tiered rate discounts – significantly changed the landscape?
  - b. Do brokers have good visibility regarding the level of discretionary discount a lender may offer in a given scenario?
  - c. How do aggregators keep track of lenders' pricing and communicate this to their brokers?
  - d. Are brokers familiar with the average turnaround times of each lender?
6. Describe whether brokers/aggregators offer services to lenders that involve providing information about other lenders' offers, including the type of information provided (for example, pricing) and how frequently the information is provided.
7. Comment on whether it is important for brokers to be located close to their clients or have a physical presence to acquire or service customers. If possible, provide an

indication of the proportions of brokers that are engaged online and in person and how this has changed over time.

8. Comment on the role of brokers in assisting lenders to enter or expand in geographic areas where they do not have a strong physical presence or brand recognition. For instance:
  - a. how reliant are online or new non-bank lenders on brokers to source new home loans, compared to banks with branch networks?
  - b. does the use of brokers' services provide consumers more confidence to take out home loans with lenders that they are not familiar with?
9. Describe how brokers interpret the 'Best Interest Duty' (effective from 1 January 2021), specifically, the extent to which its introduction has changed how brokers seek, assess and recommend home loan offers to consumers.
10. Comment on whether the introduction of the 'Best Interest Duty' has garnered more trust from consumers in brokers and led to increasing use of brokers' services.

### **Small and medium-sized enterprise (SME) and Agribusiness banking**

11. Describe in detail the process that brokers undertake to source business loan products (including responding to the sub-questions outlined in question 1) for SME and Agribusiness customers respectively.
12. Explain whether brokers generally have a good understanding of the reputation, performance and accessibility of different lenders' business relationship managers or bankers in specific local areas.
13. Explain whether brokers in general have good visibility over all lenders' business loan prices (net of all discounts – published and unpublished/bespoke).
14. For each of SME and Agribusiness lending, describe whether brokers/aggregators offer services to lenders that involve providing information about other lenders' offers, including the type of information provided (for example, pricing) and how frequently the information is provided.
15. For each of SME and Agribusiness lending, describe whether and how lenders' reliance on brokers has changed over the last five years, and whether different bank and non-bank lenders have different strategies for using brokers to source new business loans.
16. Comment on the effectiveness of brokers in assisting lenders, as well as specialist finance providers (such as equipment finance providers), in SME and Agribusiness lending to enter or expand in geographic areas where they may not have a strong physical presence or brand recognition.
  - a. Do brokers make it easier for business customers to consider and access non-bank, online, new or smaller lenders' business loan products?
17. For SME and Agribusiness customers respectively, comment on whether it is important for brokers to be located close to their clients or have a physical presence to acquire or service customers.
  - a. If possible, provide an indication of the proportions of brokers that are engaged online and in person and how this has changed over time.
  - b. Do brokers generally need to meet with business customers face-to-face to service them?