



23 Marcus Clarke Street
Canberra ACT 2601

Our ref: AA1000609
Contact officer: Luke Griffin
Contact phone: (02) 6243 1114

GPO Box 3131
Canberra ACT 2601
tel: (02) 6243 1111
exemptions@acc.gov.au
www.acc.gov.au

21/08/2023

Dear Sir/Madam

Customer Owned Banking Association application for minor variation of authorisation AA1000609—interested party consultation

The Australian Competition and Consumer Commission (the ACCC) has received an application for minor variation of authorisation AA1000609 from the Customer Owned Banking Association (COBA). The ACCC invites you to comment on the application. You are welcome to pass this letter on to others who may wish to make submissions.

Authorisation AA1000609 was granted for 5 years on 9 August 2022 to enable COBA and its current and future members to implement certain provisions of its Customer Owned Banking Code of Practice (the Code). In broad terms, the provisions relate to commitments by signatories to limit fees and charges and enhance protections offered to customers and guarantors including in cases of financial hardship.

Proposed minor variation to authorisation AA1000609

COBA sought minor variation to the authorisation to amend paragraph 91¹ of the Code to address potential conflicts with card scheme rules, as reflected in the strikethrough and underlined text below:

We will ~~dishonour~~ decline a credit card transaction that would result in you exceeding your credit limit by more than 10% where this option is available under card scheme rules. (This commitment does not restrict us from ~~dishonouring~~ declining a credit card transaction that would result in any exceeding of your credit limit. We may consider that to do so would be consistent with our prudential obligations.)

A full copy of the application for minor variation is available on the ACCC's authorisations [public register](#).

Broadly, the ACCC may grant an application for minor variation if it is satisfied that the variation sought is minor and will not reduce the extent of the net public benefit resulting from the conduct detailed in the current authorisation.

Making a submission

The ACCC invites you to make a submission to assist with its assessment of COBA's application for minor variation of this authorisation. In making your submission, please

¹ Code paragraph 91 was paragraph 57 in COBA's original application for authorisation – the Applicants submit that the Code was re-organised and re-numbered after the ACCC granted authorisation to improve readability.

provide information, evidence and views about the likely effect of the proposed variations on the net public benefit resulting from the current authorised conduct.

If you intend to make a submission in relation to API's request for minor variation, please do so by **5 September 2023**.

Submissions should be lodged via the web form accessible on the public register page for this matter.

Your submission will be placed on the [ACCC's authorisations public register on the internet](#) unless you have made a request (with reasons) for us to exclude part or all of the submission from the public register (see [Guidelines for Excluding Information from the Public Register](#) for more information on how to make a request and how we assess requests).

Timing

The ACCC will progress its assessment of the application in a timely manner and anticipates issuing a determination in September 2023.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Luke Griffin on (02) 6243 1114.

Yours sincerely

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

Gavin Jones
Director
Competition Exemptions