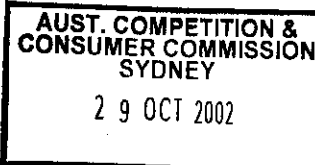


FORM G

COMMONWEALTH OF AUSTRALIA

Trade Practices Act 1974 - Sub-section 93(1)



FILE No:	
DOC:	
MARS/PRISM:	

**EXCLUSIVE DEALING
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d) of that Act in which the person giving notice engaged or proposes to engage.

1. (a) **Name of person giving notice:**

AMP Bank Limited ABN 15 081 596 009 ('AMP Bank').

(b) **Short description of business carried on by that person:**

AMP Bank conducts the business of supplying business and consumer banking services.

(c) **Address in Australia for service of documents on that person:**

Andrew Young, Legal Counsel, AMP Bank Limited, Level 11, 20 Hunter Street, Sydney, New South Wales, 2000.

2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

The services which AMP Bank provides to which this notice relates are:

(i) Home loans ("Affinity Home Loans").

(b) **Description of the conduct or proposed conduct:**

AMP Bank proposes to offer an incentive to members of the Institute of Chartered Accountants ("members") to re-finance to AMP Bank their current home loans they may have with two other Banks by purchasing a loan from AMP Bank (an "Affinity Home Loan"). When members re-finance, AMP Bank will provide such members with 2000 American Express Membership Rewards Points for each \$100,000 re-financed from either or both of the two other banks (the "offer").

Whilst it is clear that AMP Bank's proposal to members who have already purchased an American Express product to which American Express Membership Rewards Points apply (an "AMEX product") does not fall within the exclusive dealing provisions of the *Trade Practices Act 1974*, it may be possible to conclude that for members who have not purchased an AMEX product to benefit

from the offer, they can do so only on the condition that they acquire an AMEX product.

3. (a) **Class or classes of persons to which the conduct relates:**

The conduct relates to current members of the Institute of Chartered Accountants.

(b) **Number of those persons:**

(i) **At present time:**

See confidential annexure.

(ii) **Estimated within the next year:**

See confidential annexure.

(c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**

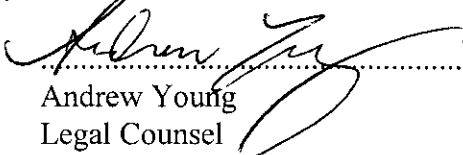
Not applicable.

4. **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice is:**

Andrew Young, Legal Counsel, AMP Bank Limited, Level 11, 20 Hunter Street, Sydney, New South Wales, 2000.

Dated: 25th October 2002

Signed by:


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Andrew Young
Legal Counsel
AMP Bank Limited

**SUBMISSION BY AMP BANK LIMITED
IN SUPPORT OF A NOTIFICATION UNDER SECTION 93(1)
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1 AMP Bank Limited is a subsidiary of AMP Limited.
- 1.2 AMP Bank wishes to enhance its competitive position in the consumer banking market and therefore has developed initiatives to make its services more attractive to consumers, one such initiative being the provision of “Affinity Home Loan” offers to members of various professional groups – in this case, members of the Institute of Chartered Accountants (the “Institute”).
- 1.3 As AMP Bank is a relatively new competitor in the banking market, it is seeking to increase its market share, and as such its competitiveness, in the relevant market. It believes that by offering American Express Membership Rewards Points to members of the Institute, it believes it can increase its customer base in the banking market.

2. Market

- 2.1 The market to which the proposed offer relates is the consumer market in Australia for the provision of banking services.

3. Analysis of the Conduct

- 3.1 The conduct described in **Form G** may amount to exclusive dealing within section 47(6) of the *Trade Practices Act*, and AMP Bank submits that there is no likely detriment to the public resulting from that conduct.
- 3.2 Consumers can acquire banking services from a number of entities in the market, all of which compete vigorously for the provision of these services. Consequently, there are a large number of competitive packages (bundled and unbundled) available to the public in respect of banking services at any given time.
- 3.3 The terms and conditions of AMP Bank's proposed offer will be fully outlined to consumers. Some consumers may not wish to participate in the proposed offer because they do not wish to purchase an AMEX product. Those members who choose not to take up the offer of 2000 American Express Rewards Points per \$100,000 re-financed will still be able to acquire Affinity Home Loans from AMP Bank. They will not, however, be able to obtain a benefit from the American Express Rewards Points unless they have already purchased an AMEX product or they purchase an AMEX product.
- 3.4 The proposed conduct offers significant benefits to members by giving them the opportunity to obtain benefit from American Express Membership Rewards Points if they have already or will purchase an AMEX product.
- 3.5 The offer involves one professional organisation composed of approximately 37,000 members out of banking services market of millions and the proposed offer will have no detrimental effect on competition in the relevant market.

4. **Conclusion**

- 4.1 For the reasons stated above, AMP Bank submits that the proposed offer provides benefits to the public (in the form of American Express Rewards Points and increased competition in the home loan market) and will have no anti-competitive effect and therefore no public detriment.