

Freehills

AUST. COMPETITION &
CONSUMER COMMISSION
MELBOURNE

1 - 8 FEB 2006

8 February 2006

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Matter no 80994372
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Mr Scott Gregson
General Manager, Adjudication
Australian Competition and Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

By courier

FILE No:

DOC:

MARS/PRISM:

Dear Mr Gregson

Third line forcing notification lodged by BankWest

We enclose a notification in respect of conduct which may raise issues under the third line forcing provisions of the *Trade Practices Act 1974*. The notification concerns proposed conduct of the Bank of Western Australia Ltd (**BankWest**), a provider of financial services, products and systems. BankWest is part of the HBOSA group of companies. The HBOSA group of companies also includes St Andrew's Insurance (Australia) Pty Ltd, St Andrew's Life Insurance Pty Ltd and St Andrew's Wealth Management Ltd (collectively **St Andrew's**). St Andrew's provides consumer credit, life insurance and other related protection products as well as a comprehensive range of investment, superannuation and retirement products and services. Vero Insurance Limited (**Vero**) provides home and contents, motor and travel insurance products.

We enclose:

- a completed Form G in respect of the notification; and
- a cheque for \$1,000 being the total relevant fee for lodgement of the notification of third line forcing conduct.

1.1 Overview of the proposed conduct

The possible third line forcing conduct of BankWest relates to the offer of BankWest loan products or services, and arises as follows.

- (a) In relation to home loans, applicants will be offered the opportunity to reduce the BankWest home loan application fee by 50% (the usual fee is \$700) when they also take out any three of the following product combinations:
- conveyancing services from BankWest;
 - a credit card from BankWest;
 - a personal loan from BankWest;

- a transaction account with a direct salary credit, or periodical payment set up, from BankWest;
 - a savings account from BankWest;
 - another mortgage product from BankWest;
 - mortgage protection insurance from St Andrews;
 - credit card protection insurance from St Andrews;
 - Top 200, a managed investment product, distributed by St Andrews;
 - loan protection insurance from St Andrews; or
 - an insurance product from Vero.
- (b) In relation to personal loans, applicants will be offered the opportunity to reduce the BankWest personal loan application fee by 50% (the usual fee is \$150) when they also take out loan protection from St Andrews as well as any two of the following products:
- a credit card from BankWest;
 - a transaction account with a direct salary credit from BankWest;
 - a mortgage product from BankWest;
 - Top 200, a managed investment product, distributed by St Andrews;
 - credit card protection insurance from St Andrews; or
 - an insurance product from Vero.

The details of the proposed conduct described above are accurate at the time of writing. However, some of the details of the offer may be altered by BankWest from time to time (for example, a greater discount might be offered, or alternative product combinations may be made available).

1.2 Submissions in relation to the proposed conduct

In effect, this conduct will give consumers an opportunity to obtain discounts on certain loan products or services available from BankWest.

The conduct will not result in any conceivable detriment to the public. BankWest customers are free to choose whether or not to take up the offer and consequently benefit from the discounted application fee. The markets in which customers acquire home loan, personal loan and related banking and financial products and services are highly competitive.

Please feel free to contact Mr Peter McDonald on 03 9288 1597 should you wish to discuss this matter.

Yours faithfully
Freehills



Chris Jose
Partner



Peter McDonald
Senior Associate

Encl.

FORM G

[Front of Form]

COMMONWEALTH OF AUSTRALIA

*Trade Practices Act 1974 – Sub-section 93(1)***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 engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) **Name of person giving notice**Bank of Western Australia Ltd, ACN 22 050 494 454 (**BankWest**)

(See Direction 2 on the back of this Form)

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

Provision of financial services, products and systems.

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

c/- Chris Jose
Partner
Freehills
101 Collins Street
MELBOURNE VIC 3000

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

Loan products or services (including home loans and personal loans).

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

The provision of a discount, allowance, rebate or credit to persons in relation to the supply or proposed supply of loan products or services by BankWest on condition that the consumer has acquired, or will acquire, other products or services from St Andrews Insurance (Australia) Pty Ltd (ABN 89 075 044 656), St Andrews Life Insurance Pty Ltd (ABN 98 105 176 243) and St Andrews Wealth Management Ltd (ABN 97 097 084 878) (collectively **St Andrews**) and/or Vero Insurance Limited (ABN 48 005 297 807) (**Vero**); or

The refusal to provide a discount, allowance, rebate or credit in relation to the supply or proposed supply of loan products or services by BankWest for the reason that a consumer has not acquired, or will not acquire, other products or services from St Andrews and/or Vero.

(See Direction 4 on the back of this Form)

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

Certain persons who wish to obtain loan products or services from BankWest.

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

(i) **At present time**

Nil.

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

Confidential

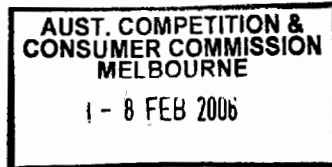
(c) **Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses**

Not applicable

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

c/- Chris Jose
Partner
Freehills
101 Collins Street
MELBOURNE VIC 3000

Dated: 8 February 2006



Signed on behalf of the applicant giving notice

(Signature)

CHRISTIAN JOSE

(Full Name)

PARTNER

(Description)

[Back of Form]

DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice
2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in sub-section 47(2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act* 1974 have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. In item 3 (a), describe the nature of the business carried on by the persons referred to in that item.
6. In item 3(b) (ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

NOTICE

If this notification is in respect of conduct of a kind referred to in sub-section 47(6) or (7) or paragraph 47(8)(c) or (9)(d) of the *Trade Practices Act* 1974 ("the Act"), it comes into force at the end of the period prescribed for the purposes of sub-section 93(7A) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under sub-section 93(3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in sub-section 47(2), (3), (4) or (5), or paragraph 47(8)(a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.

**EXCLUDED FROM
PUBLIC REGISTER**

Confidential Annexure

**EXCLUDED FROM
PUBLIC REGISTER**