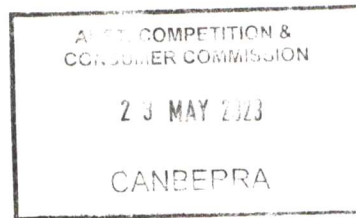


Ms Gina Cass-Gottlieb
Chair
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT



Dear Ms Cass Gottlieb

I write in relation to the proposed takeover of Suncorp Bank by the ANZ bank. I would like to express my concerns on this – essentially concerns that the already very poor **service** from the banks (at least the four major banks) will deteriorate even further even if the theoretical **competition** between the banks is not significantly impacted. For the record I am not an account holder with either bank but do have a small shareholding in Suncorp. I do not live in Queensland, so whatever the outcome it will have very little, if any, direct impact on me.

The specific issues that I feel need to be considered in this matter are:

1. I am unaware of any detailed consideration given to the benefits to customers of the proposed takeover. Has any survey been done of how Suncorp's customers feel about this proposal?
2. If the ANZ bank wishes to expand its business in Queensland then it should do this by expanding its branch network etc not by taking over a much smaller competitor. It certainly has the means to do it.
2. The service levels of the banks continue to deteriorate and, according to reports, many of the recommendations of the Royal Commission have not been implemented. The banks seem focussed on maximising profits at the expense of customer service which has deteriorated substantially in recent times with increasing numbers of branch closures, reduction in the number and types of services offered, telephone waiting times etc. An undertaking not to implement any branch closures for at least five years is almost meaningless in the scheme of things – five years is a very short time in the life of a corporation. The fact that there is currently an enquiry into the unwillingness of the banks to pass on the increased interest rates to savers says a lot about the banks attitude to its customers.
3. The banks occupy a privileged position in the community and are protected to a significant degree from competition. Accordingly they have an obligation to the members of the community in which they operate. (If my recollection is correct, years ago Westpac spoke of the "triple bottom line" for corporations, reflecting their responsibility to shareholders, staff and stakeholders. Sadly one does not hear that term used at all now – the emphasis is on "shareholder return".)

I would urge you to reject this proposal on the grounds that it conveys no benefits to Suncorp customers and may lead to a reduction in the level of competition between the banks (such as it is) and a significant deterioration in the service levels offered to customers. These comments apply similarly to the other three major banks to the extent that they are applicable and may wish to acquire one of their smaller competitors. Fundamentally, the relationship between the bank and its customers is so disproportionate that customers have no choice but to accept whatever the bank chooses to give them, and the Financial Services Ombudsman has only limited authority in dealing with this unbridled power.

Yours sincerely

Concerned Citizen