

28 May 2020

Mr Baethan Mullen  
General Manager  
Adjudication  
ACCC



*By Email: adjudication@accc.gov.au*

Dear Mr Mullen

**The Australian Banking Association's application for authorisation AA1000482  
– request for update**

We provide this as a response to the ACCC letter dated 1 May 2020, which sought views on the interim authorisation granted by the ACCC on 30 March 2020.

The 30 March interim authorisation enabled current and future retail member banks (Member Banks) (including third party suppliers and/or agents, where relevant) and their subsidiary banks to discuss, agree, and give effect to any contract, arrangement or understanding between them with the broad purpose of providing financial relief and other support to customers as a result of COVID-19, and supporting government initiatives (the **Conduct**).

**Benefits of interim authorisation to date**

The ACCC's interim authorisation of the Conduct has enabled the industry to respond with the necessary speed and flexibility required to provide financial support and certainty to both retail and business bank customers during COVID-19. We support the views of the ABA in response to the ACCC's 1 May letter.

For retail customers, the interim authorisation has enabled banks to discuss and agree to the fast-tracked issuing of scheme or dual network debit cards to certain customers to maintain accessibility to vital banking services. As part of this support measure, CBA has delivered Debit Mastercards to customers who rely on passbooks to withdraw money – to enable them to pay for goods electronically while they could otherwise only withdraw cash in a branch, acknowledging that for some customers, visiting a branch during the pandemic may be difficult.

For business customers, the interim authorisation has enabled banks to discuss and agree important industry-wide support packages to provide loan repayment deferrals of up to 6 months to certain small business borrowers (i.e. those with total loan facilities of less than \$10m). As outlined by the ABA in its response to the ACCC's 1 May letter, this assistance was provided under a combination of the small and supplementary business relief packages. As of 24 April 2020, CBA deferred loan repayments for more than 70,000 small business customers, providing cash flow relief of up to \$500m per month.

The interim authorisation granted by the ACCC during these extraordinary times has enabled the banking industry to deliver critical financial assistance to COVID-19 impacted customers as widely, consistently, equitably and quickly as possible. This has given a level of certainty and clarity to bank customers that would not have been provided if direct cooperation between banks on these customer relief packages had not been authorised.

### **Considering the need for continued authorisation**

Although the initial industry-wide financial support packages are now in place, we cannot predict the duration of the financial impacts on bank customers from COVID-19, nor the need for further financial support to these customers from the banking industry.

For example, in the September/ October 2020 period a large number of the current customer support packages will come to an end. It may be that a coordinated approach to dealing with those matters would be beneficial so that the impact for customers is managed in a consistent, clear and orderly manner. It will be important that banks retain the ability to consider and discuss customer issues, and to respond consistently, quickly and flexibly. This should support broader consumer and business confidence and the economy's recovery from the effects of COVID-19.

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If you would like to discuss the above, please contact Candice Sng on [REDACTED] or [REDACTED]

Best regards

[REDACTED]

Leif Gamertsfelder  
EGM General Counsel Customer Services