ASIC

Australian Securities & Investments Commission

CONSULTATION PAPER 14

Draft guide to good transaction fee disclosure for banks, building societies and credit unions

April 2001

About this document

ASIC aims to produce a Guide to Good Transaction Fee Disclosure for Banks, Building Societies and Credit Unions. This document is a consultation draft of the proposed Guide. It is designed to elicit your feedback on the proposals it contains.

It should be noted that the draft has been written against a background of considerable activity in the area of disclosure and transaction products. In particular, a new version of the Financial Services Reform Bill is about to be tabled in Parliament, the Banking and Credit Union Codes of Practice are under review, the EFT code has just been reviewed, there is likely to be a Government response to the Parliamentary Joint Statutory Committee on Corporations and Securities' Report on Fees on Electronic and Telephone Banking and there is a vigorous public debate taking place on issues associated with fee disclosure. Against this background, it is likely that a range of initiatives could occur which may require amendments to be made to the draft. The final Guide will take account of developments in this area and once published will continue to be amended to reflect legislative and other changes that occur.

How you can contribute to finalising this Guide

We invite your comments on the proposals contained in this draft Guide. Please indicate whether you wish the whole or any part of your submission to be treated as confidential. All submissions will be treated as public documents unless you have requested that we do otherwise.

Comments on the draft are due by Friday 11th May 2001 and should be sent to:

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You can also contact ASIC's Infoline on 1300 300 630 for information and assistance.

Executive summary

This draft Guide sets out ASIC's views on what constitutes good transaction fee disclosure practices.

ASIC is producing the Guide because evidence suggests that many consumers do not understand the fees they currently pay on their transaction accounts and would like better disclosure either to guide their own habits or because they think others will benefit from it.

The content of the Guide was primarily developed by a working group of industry, consumer and government representatives (see Appendix A). The Guide also incorporates relevant legislative and self-regulatory requirements.

In ASIC's view, improvements to transaction fee disclosure are important if pricing competition is to be encouraged and consumers are to be able to make choices between transaction products on the basis of price and conduct their banking so as to minimise fees.

There are four times at which transaction fee disclosure is particularly relevant:

- at the time a consumer is selecting a product or product provider;
- when changes are made to the level of fees or when they are charged;
- when a statement is received; and
- immediately prior to making a transaction.

This Guide discusses options for good transaction fee disclosure in relation to:

- pre-contractual disclosure;
- notice of changes;
- disclosure on statements; and
- disclosure at the time of the transaction, including of foreign ATM fees and surcharges and of overdraw fees.

It also discusses matters relating to the administration of the Guide.

The draft Guide has been written against a background of considerable activity on the issue of transaction fee disclosure and it is recognised that legislation or other initiatives may overtake either this draft or the final Guide. The final Guide will be a living document which, as well as being reviewed from time to time, will be updated whenever the need arises to ensure that its content is consistent with legislation and relevant self-regulatory initiatives.

Contents

Purpose and status of the Guide

1. What is the purpose of the Guide?

This Guide is designed to promote improved disclosure of transaction fees for retail transaction and savings products offered by banks, building societies and credit unions. The Guide will also be relevant for credit products if transaction fees are or can be imposed.

This Guide is intended to be an all in one source of information for institutions and consumers on the fee disclosure requirements of legislation and self-regulatory instruments and of ASIC's views on good practice.

2. What status do the provisions of this Guide have?

The status of the provisions of the Guide vary depending upon whether they:

- refer to legislation which binds all parties it applies to;
- refer to self-regulatory requirements which must be complied with by all parties to the self-regulatory instrument;
- are ASIC's views on how best to comply with these legislative or self-regulatory requirements; or
- are none of the above but are a statement of what ASIC considers to be good practice, in which case compliance will normally be voluntary.

Pre-contractual disclosure

3. Why do consumers need pre-contractual transaction fee disclosure?

Consumers need pre-contractual disclosure of transaction fee information to enable them to choose the appropriate product and service provider for their needs.

4. What are the legislative requirements?

At present there are no legislative requirements for pre-contractual transaction fee disclosure for deposit products.

However, under the draft Financial Services Reform Bill (FSRB)[1] a retail client must be given a Product Disclosure Statement before they acquire a transaction account (see clauses 982C - 982E). Under clause 983C(1)(d)(ii) the Product Disclosure statement is required to include information about "any amounts that will or may be payable by the holder of the product in respect of the product after

[1] References to the draft Financial Services Reform Bill throughout this Guide are to the version released for public comment in February 2000.

its acquisition, and the times at which those amounts will or may be payable".[2] Additional information must also be provided to retail customers on request (clause 987A(1)).

The Uniform Consumer Credit Code (UCCC) includes requirements for pre-contractual disclosure for credit products (s. 14(1)). However, these requirements do not include disclosure of transaction fees.

5. What are the self-regulatory requirements?

Clause 4 of the Code of Banking Practice requires that:

> A bank shall, before or at the time of providing a particular Banking Service to a Customer for the first time or otherwise on request by a Customer, make available to the Customer a schedule containing the Standard Fees and Charges which currently apply to the Banking Service.

The provisions in the Building Society and Credit Union Codes are similar.[3]

Clause 2.3(1) of the revised Electronic Funds Transfer (EFT) Code provides that before an EFT card is first used the cardholder should be provided with documentation on:

> Any charges for the issue or use of an access method, separate from activity or other charges applying to the account generally.[4]

6. What should be included in these pre-contractual disclosures if they are to be done well?

ASIC interprets these regulatory and self-regulatory requirements as meaning that pre-contractual fee disclosure should include:

- clear details of the fee for each transaction, broken down by channel if different fees are charged depending upon the delivery mode;
- details of what does and does not constitute a transaction for fee charging purposes (eg is checking on an account balance a transaction for the purposes of fees?);
- the details of any rebates scheme (including information on the factors that will affect the size of the rebate);

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[2] ASIC will be releasing a Policy Proposal Paper (PPP) on compliance with the Product Disclosure Statement requirements under the FSR legislation. The final content of the Guide in relation to pre-contractual disclosure will be consistent with ASIC's final policy statement on Product Disclosure Statements when released.

[3] The Banking and Credit Union Codes of Practice are presently under review. Once the outcomes of those reviews are known this section of the Guide may need to be updated. The reviewer of the Banking Code has noted that there is likely to be significant overlap between the pre-contractual disclosure requirements of the Code and of other laws (especially the UCCC and the proposed FSRB). The review Issues Paper includes interim recommendations that overlapping Code provisions be deleted from the Code and that the Code include summary information about the pre-contractual disclosure requirements of relevant laws (including the UCCC and the FSRB).

[4] All references to the EFT Code are to the revised EFT Code which will be released shortly after this draft Guide.

- the details of any free transaction scheme including any specific conditions applying to it (such as a limit on over-the-counter transactions);
- clear information on when the period for calculating rebates or counting free transactions commences and ends;
- any balance minimums, or loyalty arrangements (such as having a mortgage with the institution), which impact upon the need to pay fees; and
- any other conditions relevant to assessing the fees the consumer will have to pay.

ASIC's research on consumers' understanding of the fees they pay suggests that some consumers find it difficult to identify which fees apply to their account where the fees for all of an institution's products are listed in one long fee schedule. This suggests that good practice involves making every effort to provide fee information as part of the package of information about an individual product. The Product Disclosure Statements to be required under FSRB should facilitate this. That said, information being available in one place on the fees applying to similar products offered by an institution may be helpful for comparison purposes. There is therefore still a useful role for easily understood information about the fees applying to a range of products.

Notice of change

7. Why do consumers need notice of change?

Consumers need to be notified of changes to fee amounts or the conditions for incurring fees so that they can decide whether they wish to alter their practices or change products so as to avoid occurring additional costs or to minimise costs.

8. What are the legislative notice requirements?

At present there are no legislative requirements to provide advance notice of changes to transaction fees for deposit products. Under the UCCC 20 days' notice of any such changes are required for credit products. However, advance notice is not required if the change reduces the customer's obligations (i.e. a fee is decreased).

Under clause 987B(5) of the draft FSRB financial institutions will be required to give notice of a change to fees and charges for transaction account products 30 days before the change takes effect. (Note that FSRB does not apply to credit products that are covered by the UCCC).

Clause 987B(4) of the FSRB makes it clear that the notice must give the consumer the information that is reasonably necessary for them to understand the nature and effect of the change or event.

Clause 987B(3) requires that the consumer must be notified in writing, electronically, or in the way specified in the regulations.

9. What are the self-regulatory notice requirements

Under the April 2001 revised EFT Code, account institutions wishing to vary or modify the EFT Terms and Conditions to impose or increase charges relating solely to the use of an access method, or issue of an additional or replacement access method must provide written notification to the account holder, and allow a period of notice of at least 20 days (or where the applicable legislation requires a longer notice period, that longer period) before the change takes effect. (cl 3.1(i)).

In practice this will mean that changes covered by the FSRB will require 30 days' notice and most others, including those covered by the UCCC, will require 20 days' notice.

Clause 9.1 of the Code of Banking Practice provides that:

> When, in relation to a Banking Service, a Bank intends to introduce a fee or charge (other than a government charge), the bank shall provide written notice of the change to each affected Customer at least 30 days before it takes effect.

Clause 9.3, however, provides that:

> A Bank shall notify affected Customers of variations to the Terms and Conditions (including a variation of Standard Fees and Charges or of an interest rate) in relation to a Banking Service by advertisement in the national or local media or in writing to affected Customers, no later than the day on which the variation takes effect.

The provisions of the Building Society and Credit Union Codes are similar.[5]

10. What constitutes a change?

Changes that require advance notification under the requirements described in paragraph 9 should include:

- any new fees;
- any changes to minimum balance requirements which impact upon fees; and
- changes to other conditions relevant to the level of fees a consumer is liable to pay.

It is common with disclosure regimes to only require notice of increases in fees, not decreases. In ASIC's view, however, good transaction fee disclosure requires notice of fee decreases as well as increases. This is because most transaction fee regimes vary depending upon the channel used, and a reduction in fees for a channel may suddenly make it a more attractive alternative than was previously the case. That said, the cost of communication is substantial. Our initial view is that, unless otherwise required, where an institution is notifying a consumer about fee increases they should also notify of reductions at the same time. However, where

[5] As noted earlier, the Banking and Credit Union Codes of Practice are presently under review. Once the outcomes of those reviews are known the Guide may need to be updated. The Issues Paper on the review of the Code of Banking Practice includes an interim recommendation that (i) the UCCC, and not the Code, should detail the notice requirements for products covered by the UCCC, (ii) the FSRB, and not the Code, should detail the notice requirements for changes relating to fees and charges, and (iii) that the existing Code requirements should be retained for all other changes.

reductions are not accompanied by increases, minimum good practice would be to provide notice of the change with the next statement.

Disclosure on statements

11. Why do consumers need transaction fee disclosure on statements?

Statements provide personalised information and are more likely to be read than other modes of communication, which are separated from the transaction. Statements can also provide an overall picture of an individual's transaction practices allowing consumers to see how they can change those practices to lower costs.

12. What are the legislative requirements?

Under the proposed FSRB, institutions must provide a regular statement of account to holders of deposit products through which the holder makes an investment (cl. 987C(1)). However, there is no requirement that the statement include information about transaction fees.

For credit products, the UCCC requires that periodic statements of account must be provided at regular intervals (s. 31(1)). The statement must include "particulars of any fees and charges debited to the debtor's account during the statement period" (s. 32(F)).

13. What are the self-regulatory requirements?

Clause 4.3(b) of the April 2001 revised EFT code requires statements to show "any charges relating solely to the use of access method (identified as a separate line item)."

The substance of this provision wasn't changed in the recent review of the Code because it was outside the review's scope. While the meaning of this requirement is arguably ambiguous, most financial institutions have interpreted it to mean they must disclose a total figure for the fees charged, not that they should break that disclosure down to show the costs of particular transactions.

14. Good practice for disclosure of transaction fees on statements

Fee summary information should, where relevant, be provided on transaction account statements to enable customers to make informed choices about how they conduct their transactions. This information should enable customers to clearly understand the fees, by distribution channels, that apply to their accounts during the charging period and other key relevant information. In meeting this principle, institutions are encouraged to respond with measures that are relevant to the needs of their customers.

The format of statement disclosure will necessarily vary according to the fee structure of the account. For example, some accounts have a number of free transactions, with the free transactions either calculated at the end of the period based on which were the most expensive or charged when the number of transactions exceeds the free limit. Other accounts charge for all transactions, but provide a fee rebate, the amount of which depends on the customer's overall relationship with the institution.

Two examples of good statement disclosure are provided on the next pages.

Questions about statement disclosure

- How could the examples provided be improved?
- Should examples be provided of when such fee information may not be relevant (eg for customers not charged fees)?
- Should the guide also promote the desirability of statements including a comparison of fees with those charged in previous billing periods? Such disclosure would assist consumers to compare how changes in their behaviour impact upon the fees they pay. However, institutions note that it could add to the length, and therefore costs, of statements and that previous statements can be kept for comparison purposes.

Example of good transaction disclosure for an account with a number of free transactions per month.

Transaction type	Total transactions	Free	Transactions charged for	Cost per transaction	Total charged.
Cheque withdrawal	2	0	2	50c	$1.00
Own bank ATM withdrawal	4	2	2	65c	$1.30
Other bank ATM withdrawal/inquiry	1	1	0	$1.50	$0.00
EFTPOS withdrawal	4	0	4	50c	$2.00
Own bank mini statement	1	1	0	$1.00	$0.00
Over the counter withdrawal	1	1	0	$2.50	$0.00
Telephone banking	1	0	1	40c	$0.40
BPAY instruction	2	0	2	40c	$0.80
Internet banking	0	0	0	30c	$0.00
Direct debit or periodic payment	0	0	0	40c	$0.00
Total transaction fees					$5.50
Total account keeping fees					$5.00
Total Fees Payable					**$10.50**

You are entitled to 5 free transactions per calendar month, of which there is a limit of two free across the counter transactions and two cheque withdrawals. We will include the more expensive transactions in your free allocation first. Note no account keeping fees apply if the minimum monthly balance is above $2,000.Call xxxxx for more information.

Example of good transaction fee disclosure for an account with a rebate system.

Transaction type	Number of transactions	Cost per transaction	Amount charged
Cheque withdrawal	2	$0.50	$1.00
Own bank ATM withdrawal	4	$0.65	$2.60
Other bank ATM withdrawal/inquiry	1	$1.50	$1.50
EFTPOS withdrawal	4	$0.50	$2.00
Own bank mini statement	1	$1.00	$1.00
Over the counter withdrawal	1	$2.50	$2.50
Telephone banking	1	$0.40	$0.40
BPAY instruction	2	$0.40	$0.80
Internet banking	0	$0.30	$0.00
Direct debit or periodic payment	0	$0.40	$0.00
Total transaction fees			$11.80
Transaction fees less monthly rebate of $5.00			$6.80
Monthly account keeping fee			$5.00
Total fees Payable			**$11.80**

Each calendar month we will pay a minimum of $5.00 worth of the fees you incur. We will give you an additional rebate of $1.00 each month for every $5,000 you have in other deposit or loan accounts with us. We will calculate your monthly rebate on the first day of each month. Note that no account keeping fees apply if the minimum monthly balance is above $2.000.Call xxxx for more information.

Disclosure of generic information at the time of the transaction

15. Why is information at the time of the transaction desirable?

Information about the cost of a transaction at the time of the transaction is desirable as it may influence the transaction a consumer undertakes. Such information needs to be provided in time to allow the customer to cancel or change the transaction at no cost. An example of where the information may be particularly useful is where the consumer has used up all of their free transactions or rebate entitlements for the period and so may choose to withdraw more cash.

While real time disclosure of the cost of an actual transaction may be some time off, access to generic fee information (i.e. non-transaction specific information) at the time of the transaction is an interim alternative. Such generic information will, in some instances, help consumers work out for themselves what the cost of a particular transaction will be. It will be most useful when mini-statements are also available as the consumer will then be able to get a picture of the number of transactions they have undertaken.

16. What are the legislative and self-regulatory requirements?

There are not presently any regulatory or self-regulatory requirements for either generic or transaction specific fee information at the time of the transaction.

Under the proposed FSRB, institutions will be required to:

(a) confirm any transaction as soon as is reasonably practicable after the transaction occurs, or

(b) establish and maintain a facility so that the retail clients can confirm themselves any transaction (see clause 988B(1)).

Confirmation must give details of the transaction, including any amount payable in relation to the transaction (clause 988B(7)). However, this information will not have to be provided before the transaction is made.

17. Good generic fee disclosure practices on internet banking sites

Internet banking sites should include a clear and prominent link to information about fees and charges for each product offered through the site.

The information should include all of the information listed in paragraph 6 of this Guide.

The link should be to information about the fees for that particular product. If appropriate, there could be a further link to comparative information about the fee structures for a range of competing products offered by the institution.

18. Good generic fee disclosure practices for telephone banking

Telephone banking services should include an option that enables consumers to access information about fees that apply to those transaction accounts accessible through telephone banking. The institution can determine whether the information is provided in an automated fashion, by putting the consumer through to an operator or by sending the consumer information.[6]

19. Good generic fee disclosure practices for ATMs

ATMs should include an option for customers of the ATM owner to access information about the cost of ATM transactions and the key variables impacting upon those costs such as any rebates or free transaction limits.

Questions about generic fee disclosure and ATMs

- Are the potential delays and costs involved with providing generic fee disclosure at ATMs worth it or will consumers only really be interested in ATM disclosure when real time transaction specific disclosure is available?
- If there is ATM disclosure, should it cover only ATM fees or fees for all transaction channels that can access the account?
- Should the expectation be a level of disclosure that can be fitted on a single screen?

Real time transaction fee disclosure

20. Why is real time transaction fee disclosure desirable?

As noted in paragraph 15, information about the cost of a transaction at the time of the transaction is desirable as it may influence the transaction the consumer makes. For instance, if they have used up all of their free transactions or rebate entitlements for the period, they may choose to withdraw more cash. The information is needed in sufficient time for the consumer to cancel or alter the transaction at no cost.[7]

Such real time transaction specific information is also likely to have an educative effect that could help consumers reduce the cost of their banking.

[6] The wording of this principle, takes account of the different level of automation of telephone banking services presently in existence and the concerns of institutions about not unnecessarily expanding "talk time".

[7] Within the ASIC Working Group, there was no consensus about the need for transaction specific real time disclosure. Some industry representatives felt that the other reforms covered in this Guide significantly reduce the case for real time disclosure. In addition, they have concerns about the delays and costs involved with real time disclosure. Other members, however, in particular consumer representatives, argue that real time disclosure is essential for informed consumer decision making.

Finally, real time fee disclosure could play a role in promoting competition between institutions in terms of the fees they impose.

21. Good practice for real time transaction fee disclosure

Consumers should be able to optionally access information about the cost of an actual transaction and/or, where relevant:

- information about the number of transactions they have conducted during the period or the number of free transactions they may still make during the period; or
- the amount of potential rebate for the period they have used or have left to use.

This information should be available prior to a transaction being completed so that the consumer has the opportunity to cancel or alter the transaction should they so chose.

Such optional information should be available on own-institution ATMs, internet and telephone banking services and, in the longer term, foreign ATMs.

Convenience concerns suggest that such an option is not suitable for EFTPOS transactions though, ideally, EFTPOS receipts would include, where relevant, information about the number of transactions conducted during the period or the amount of any rebate used up to date.

The information required to be disclosed is done in this "and/or" format so that a move to real time disclosure doesn't necessarily result in consumers losing the benefit of some existing fee regimes whereby their most expensive transactions for the period are included within the free limit. Under these schemes the cost of an individual transaction can't be calculated until the end of the period.

It is understood that real time information would need to be subject to cheque clearances. Early adopters of the principle may also need to make real time disclosure based upon the limits of 24 hour batching and lack of relationship information. There may well be other limitations on the information that early adopters can provide but we hope that this will not prevent the incremental steps that may be necessary for early adoption.

22. Implementing this principle

Cost and technical considerations mean that different institutions would be able to meet this principle at different times and those times may also vary between channels. ASIC strongly urges institutions to factor the desirability of real time disclosure into their systems redesigns and equipment upgrades and replacement programs now. Ideally, institutions should commit to a timeframe for implementing real time disclosure.

On the issue of timing ASIC notes that a number of recommendations have recently been formulated on the need for real time transaction specific fee disclosure and the time frame for achieving this. The Parliamentary Joint Statutory Committee on Corporations and Securities' Report on Fees and Electronic and Telephone Banking, released in February 2001, recommended that a framework for real time disclosure be established within two years and implemented within six months of the finalisation of the framework. The minority PJSC report recommended that there be real time fee disclosure for ATMs within a period of 12 to 24 months.

Question about real time disclosure time frame

- What target/timeframe should be set for meeting real time transaction specific disclosure goals?

Disclosure of foreign ATM fees

23. What are foreign ATM fees and why should they be disclosed?

A foreign ATM fee is a fee that a financial institution charges its own customer for having used another institution's ATM (including other Australian institutions' ATMs). It is important that consumers understand when they are likely to be charged a foreign ATM fee as these fees are usually at least twice as much as the fees for using their own institution's ATM.

24. What legislative and self-regulatory requirements?

There are no legislative or self-regulatory requirements for disclosure of foreign ATM fees.

25. Good practice and disclosure of foreign ATM fees

Consumers should know, at the point of making the transaction, whether they could be charged a "foreign ATM fee" because the ATM is not in their network.

Institutions should determine for themselves whether they comply with this by attaching notices/stickers to the ATM or its surrounds or by onscreen disclosure.

(Some institutions have already adopted this principle or set in motion plans to do so. The working group has suggested that a target date of 1 July 2001 for all institutions complying with this principle).

Disclosure of surcharges

26. What are surcharges and why should they be disclosed?

A surcharge is a fee charged by the owner of an ATM or EFTPOS machine (who may not be a financial institution) for the use of that machine. It is charged directly to the consumer. At present the fees that financial institutions charge their own account holders for the use of their machines are excluded from this definition of surcharges – these fees are simply categorised as transaction fees. We are not aware of any ATM surcharges presently being charged in Australia but there is speculation that they may be introduced, especially by non-financial institution

ATM operators. Unlike foreign ATM fees, where the fee is uniform regardless of which other institution's machine you use, surcharges can vary from machine to machine and even from time to time.

Consumers need surcharges to be disclosed so that they can tell which machines are the cheapest ones to use.

27. What are the legislative and self-regulatory requirements?

At this time there are no legislative or self-regulatory requirements. However, when it comes into effect, clause 4.6 of the revised EFT Code will provide the following:

> An account institutions shall include in its agreements with any person who makes electronic equipment available to a user so that the user may perform an EFT transaction, a requirement that the person disclose to the user (at a time which enables the user to cancel the EFT transaction without cost to the user) the amount of any fee (such as a surcharge) charged by the person for the use of its electronic equipment which will be directly passed on to the user or account holder.

The approach set out in the revised EFT Code recognises that not all ATM owners will be account institutions and therefore some may not subscribe to the Code. As the Code can only bind subscribers it has therefore taken the approach of requiring subscribers to make disclosure of surcharges a condition of their agreements with EFT machine owners. Should a more effective means for requiring such disclosures be implemented elsewhere the Code can be changed.

28. Good ATM surcharge disclosure practices

Where an ATM operator charges a consumer a direct fee for the use of one of their ATMs, for a transaction on an account which is not held with the ATM operator, that fact and the amount of the fee should be disclosed to the consumer in sufficient time for them to determine whether they wish to go ahead with the transaction or cancel or alter it in some way.

29. Good EFTPOS surcharge disclosure practices

Where an EFTPOS operator, including a merchant, charges consumers a surcharge for the transaction there should be clear and prominent signage alerting consumers to this fact.

Disclosure of overdraw fees prior to making the transaction

30. Why is pre-transaction disclosure of overdraw fees desirable?

Consumers need to be aware that a transaction may attract an overdraw fee so that they can make an informed decision about whether or not they wish to proceed with the transaction.

31. What are the legislative and self-regulatory requirements?

There are presently no legislative self-regulatory requirements for disclosure of overdraw fees immediately prior to making the transaction.[8]

32. Good overdraw fee disclosure

Where a consumer undertakes an electronic transaction that will result in them being charged on overdraw fee, they should be notified of this fact and the amount of the fee in sufficient time to allow them to cancel the transaction.

For technical reasons it may not be possible to apply this principle to EFTPOS transactions or foreign Bank ATM transactions. It is also recognised that such disclosure would need to be based upon existing information and could not take account of unprocessed cheques.[9]

Guide administration

33. Promoting the Guide

ASIC will publish the Guide on its website: www.asic.gov.au and will undertake other methods to ensure that institutions and consumers are aware of it.

34. Monitoring adoption of the Guide and reporting

ASIC will monitor and publicly report on the extent to which the Guide has been adopted or is planned to be adopted. The initial monitoring shall occur at the latest two years from the date the Guide is published.

35. Future research

Subject to resource constraints, ASIC will commission research on:

- the extent to which consumers understand the fees regimes applying to their accounts;
- their views on the adequacy of existing disclosure practices;
- changes, if any, they would like to see in disclosure practices.

This research will take place after the first monitoring exercise or two years after the Guide is published – whichever is the later.

36. Review of the Guide

ASIC will review the Guide at the latest 3 years after it is published.

The Guide will be amended on an as needs basis to reflect changes in legislative and self-regulatory requirements.

[8] Note that UCCC and Banking Code requirements may mean that there needs to pre-contractual disclosure of potential overdraw fees.

[9] Many institutions choose not to have arrangements for overdrawing accounts.

Regulatory and financial impact

The principles in this Guide have sought to achieve an appropriate balance between facilitating informed decision-making by consumers and the legitimate business concerns of financial institutions.

To enable us to more fully assess the financial and regulatory impact of the Guide's proposals you are invited to comment on:

a) the likely financial impact of the proposals; and

b) whether the proposals are likely to provide sufficient and timely information for consumers.

Appendix A: Membership of the Transaction Fee Disclosure Working Group

Industry associations

- The Australian Bankers' Association
- Credit Union Services Corporation (Australia) Ltd
- The Australian Association of Permanent Building Societies
- National Credit Union Association
- Australian Finance Conference/Queensland Association of Permanent Building Societies (one person representing both)

Consumer organisations

- The Australian Consumers' Association
- Financial Services Consumer Policy Centre

Financial institutions

- ANZ Bank
- National Australia Bank
- Commonwealth Bank of Australia
- Westpac Banking Corporation
- St George Bank
- AMP Bank

Government organisations

- ASIC (Chair)
- Treasury

Other

- The Australian Banking Industry Ombudsman
- Cannex

Parties not on the working group but kept informed of its work

- The Reserve Bank of Australia
- Coles Myer
- The Australian Payments Clearing Association
- The Reviewers of the Banking and Credit Union Codes of Conduct