



**ASIC**  
Australian Securities &  
Investments Commission



# Better banking for Indigenous consumers

Report 785 | July 2024

## About this report

This report provides findings into ASIC's Better banking for Indigenous consumers project addressing fee harm experienced by low-income customers, including First Nations customers.

It details the responses by the participating banks to address concerns raised and improve consumer outcomes.



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## Artist acknowledgement

The 'Success Our Way' artwork concept and narrative was created by Tarni O'Shea, a South Sea Islander and Butchula artist and designer for Gilimbaa Creative Agency. The [story behind the artwork](#) captures the Guiding Principles and the Key Learnings that underpin the ASIC's Indigenous Financial Services Framework.

## About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

## Disclaimer

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## Executive summary

The Banking Code of Practice acknowledges that customers who receive government concession payments and qualify for a Commonwealth Seniors Health Card, Health Care Card or Pensioner Concession Card (concession card) are entitled to access appropriate accounts. In recognition of the limited financial resources available to these customers—typically known as ‘low-income customers’—they are eligible for basic, no or low-fee accounts. Low-fee accounts are not subject to high fees, as outlined in Chapter 15 of the Banking Code. Unfortunately, large numbers of these customers remain in high-fee transaction accounts that charge dishonour, overdraw, assisted withdrawal and/or account keeping fees (high-fee accounts), resulting in their limited funds being eroded.

ASIC’s Better banking for Indigenous consumers project focused on reducing the harm experienced by First Nations consumers in high-fee accounts. We identified the banks where this was most likely to be a significant problem, gathered data on the extent of fee harm experienced by customers, and encouraged the banks to develop more effective processes for moving customers to low-fee accounts. We also asked banks to remediate customers for past fee harm.

While the project has highlighted harm to First Nations customers on low incomes, the key findings and outcomes are relevant to low-income customers across the community, regardless of their background or location. On that basis, we expect banks to consider the recommendations of this report in relation to all customers who are identified as receiving a low income.

**Note:** From 28 February 2025, a new version of the Banking Code will come into effect. Section B3 of the new code will contain equivalent clauses about low-fee, basic accounts for ‘low or no income earners’, including those receiving government pensions or concessions.


## Project scope

This project involved four banks and their regional retail brands (participating banks), namely:

- › Australia and New Zealand Banking Group (ANZ)
- › Bendigo and Adelaide Bank (Bendigo Bank)
- › Commonwealth Bank of Australia (CBA), as well as its Bankwest division, and
- › Westpac Banking Corporation, including its regional retail brands St.George, BankSA and Bank of Melbourne (Westpac).

The participating banks were chosen based on a methodology we developed to identify the institutions that were most likely to have significant numbers of First Nations consumers on low incomes who were in high-fee transaction accounts. ASIC developed this sampling methodology as a way of identifying First Nations customers, because banks do not ask whether their customers identify as First Nations peoples.

The development of this methodology included considering the number of bank branches particular banks had in locations with higher-than-average First Nations populations, particularly in regional and remote areas (Indigenous pilot locations). The participating banks also provided data on any customer who was identified as being in receipt of ABSTUDY payments, regardless of location (ABSTUDY customers). A detailed explanation of the methodology to select banks and customer accounts for the project is in [Appendix 1](#).



While the focus of this report was on First Nations consumers, the nature of the methodology meant that the project also captured non-Indigenous customers on low incomes. As a result of this project, several participating banks have extended commitments to low-income customers nationwide, meaning that many non-Indigenous customers in high-fee accounts will now benefit from low-fee accounts.

While other banks were also identified as having significant representation of bank branches in regional and remote locations with higher-than-average proportions of First Nations populations, those banks were not included in the project as their products did not include high-fee accounts.

## Key findings

Between November 2022 and March 2023, ASIC collected and analysed high-fee and low-fee account data received from the participating banks for all customers living in Indigenous pilot locations and ABSTUDY customers (project cohort).

The data that was reviewed covered a 12-month period—from 1 November 2021 to 24 November 2022 (project period). The review aimed to provide insight into:

- › the distribution and impact of high-fee accounts held by customers in the project cohort
- › existing processes for identifying customers who may be eligible for a low-fee account and their effectiveness, and
- › communication by the banks and their engagement with the identified customers.

In July 2023, ASIC reported key findings from this data to each of the participating banks, including:

- › Over 150,000 low-income customers in the Indigenous pilot locations—including ABSTUDY customers—were in high-fee accounts, despite being eligible for low-fee accounts.
- › Over 12 months, low-income customers who were eligible for low-fee accounts were charged \$6 million in fees—these were predominantly overdraw and dishonour fees.
- › The participating banks had processes for identifying low-income customers who were likely to be eligible for a low-fee account. However, the banks' existing processes for promoting eligibility for low-fee accounts were ineffective in migrating those customers to the low-fee account alternatives. Successful migration rates were as low as 0.5%.
- › The participating banks' existing migration processes were predominantly 'opt-in', requiring customers to take active steps to move from a high-fee to a low-fee account.
- › Most participating banks required customers to provide proof of a concession card in order to gain access to a low-fee account, even though the banks could identify these customers were in receipt of government concession payments.



## ASIC's recommendations

ASIC provided the participating banks with a range of recommendations to reduce the harm to their customers from high-fee accounts.

While our key findings were tailored to the banks' specific products and customers, the primary recommendations were consistent for all of the participating banks and included the recommendation to consider:

- › improving processes for migrating customers from high-fee to low-fee accounts, including migrating customers on an 'opt-out' rather than 'opt-in' basis, to reduce the burden on customers in the account switching process
- › refunding or remediating customers who were identified as having experienced fee harm in high-fee accounts while being eligible for a low-fee account
- › improving processes when customers open accounts or are included in migration processes—in particular, not limiting eligibility to customers who can demonstrate they hold a concession card
- › improving promotion and resourcing of the participating banks' specialist services to First Nations customers, such as Indigenous call lines, and
- › building their understanding of their First Nations customers by asking customers whether they identify as being of Aboriginal and/or Torres Strait Islander heritage to allow for tailored banking services and messages.

The participating banks were given an opportunity to respond to these recommendations before ASIC finalised the project.

## The project's impact on addressing fee harm


The project has had a significant and positive impact on fee harm to First Nations customers on low incomes living in the Indigenous pilot locations and ABSTUDY customers nationwide.

Specific outcomes include:

- › over \$24.6 million in expected fee remediation to those low-income customers identified from the data reviewed
- › over 9,200 customers in Indigenous pilot locations migrated to low-fee accounts, and
- › at least 6,350 ABSTUDY customers migrated to low-fee accounts.

The participating banks have also taken steps to address fee harm more broadly for low-income customers nationwide, including:

- › migrating over 200,000 customers to low-fee accounts
- › providing future savings of over \$10.7 million per annum in fees across all migrated customers
- › sending letters to almost 1.5 million customers advising of eligibility for a low-fee bank account, and
- › returning an additional \$4 million in fees to low-income customers nationwide through remediation schemes.



The participating banks have also addressed ASIC's recommendations to improve processes for migrating customers to low-fee accounts and the design and distribution of products for people on low incomes—for example:

- › adoption by all participating banks of (or commitment to adopt) opt-out processes for migrating customers to low-fee accounts to increase the proportion of customers successfully migrated
- › expanded eligibility for low-fee accounts to encompass low-income customers who receive government concession payments rather than only customers who hold concession cards—this expanded eligibility and improved distribution is demonstrated in improved target market determinations (TMDs) and product descriptions
- › the creation of new lower-fee products for customers who wish to retain some of the features of high-fee accounts without experiencing the harm of high fees
- › improved ways of communicating with First Nations customers, including the use of tailored communications and additional communication channels, and
- › improved commitment to specialist services for First Nations customers such as the establishment and increased resourcing of Indigenous call lines and face-to-face outreach programs.

The willingness of the participating banks to also address fee harm experienced by low-income customers outside of the project cohort will not only benefit that broader group of customers—it will also reduce the risk of fee harm to their low-income customers in the future.

The project's findings show that banks can efficiently identify low-income customers and implement measures to reduce the risk of their limited funds being eroded by high fees. Other banks should take similar steps to identify customers who could benefit from low-fee accounts and implement processes to move customers on low incomes to accounts that better meet their needs.



# SNAPSHOT: ASIC's Better banking for Indigenous consumers project

## Harm

Review of data from November 2021 to November 2022 from participating banks demonstrated:

Over **150,000** customers on a low income in high-fee accounts, despite being eligible for low-fee accounts

These customers were charged **\$6 million** in fees they would not have incurred in low-fee accounts



The banks' existing migration processes largely required customers to take active steps to move from a high-fee to a low-fee account—'opt-in' migration

Opt-in migration campaigns were ineffective—some migration rates were as low as **0.5%**

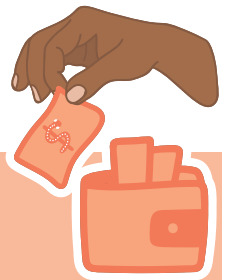


The predominant harm was from **overdraw** and **dishonour fees**

The banks were aware of customers receiving government concession payments, but didn't expand product distribution to that cohort

## Project impact

As a result of ASIC's Better banking for Indigenous consumers project, the following outcomes have been achieved:



Over **\$24.6 million** in expected fee remediation to customers on a low income who are part of the project cohort

### All banks have embraced effective opt-out migration campaigns

Over **9,200** customers in Indigenous pilot locations have been migrated to low-fee accounts

At least **6,350** ABSTUDY customers have been migrated to low-fee accounts

### The banks have taken additional steps to address fee harm more broadly for customers on a low income:



Told over **1.5 million** customers they are eligible for a low-fee account

Refunded over **\$4 million** in fees to customers on a low income

Migrated over **200,000** customers from high-fee to low-fee accounts

Anticipated yearly saving of

**\$10.7 million** in fees  
for over **200,000** customers who are now in low-fee accounts



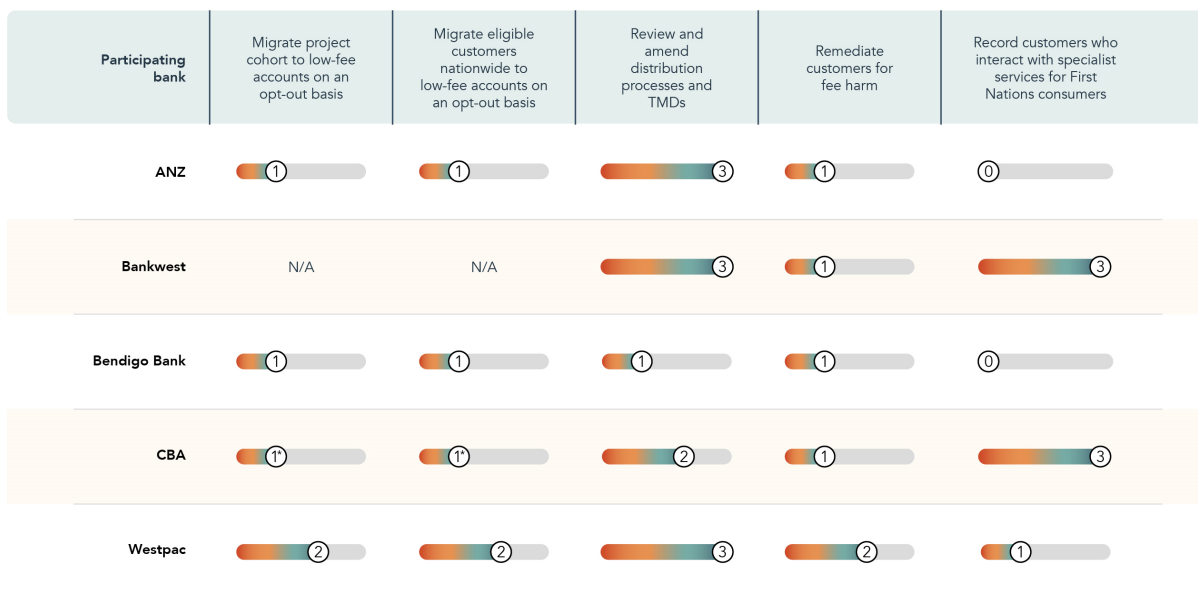
# ASIC's Better banking for Indigenous consumers project

ASIC reviewed data from participating banks for a 12-month period covering 1 November 2021 to 24 November 2022 (see [Appendix 1](#) for the project methodology), and wrote to each bank's CEO setting out our key findings and recommendations.

After receiving ASIC's key findings, the participating banks committed to implementing a broad range of actions to address fee harm identified through the project and improving products and processes to prevent future fee harm. While each bank responded differently to our recommendations, there were some common features.

Figure 1 demonstrates commitments made by each bank and whether those commitments have commenced or have been completed.

**Figure 1: Snapshot of progress made by participating banks implementing commitments (as at June 2024)**



0: No commitment to future action | 1: Commitment to future action | 2: Actions commenced | 3: Actions implemented  
 \*CBA has committed to creating a new nominal fee account. Customers will be migrated to this on an opt-out basis

## Project impetus and ASIC's regulatory remit

Access to banking services for regional and remote consumers, including First Nations consumers, is integral to better banking outcomes. The detrimental impacts of barriers to accessible banking were examined as part of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The issues examined by the Royal Commission included what happens when banks apply standard policies and procedures to all consumers, regardless of location and distance from a bank branch. The Royal Commission identified that services like dedicated Indigenous call lines were helpful, but 'could only ever form part of a range of initiatives directed at improving access.'

**Note:** See pp 87–88, 93 of [volume 1 of the Final report of the Financial Services Royal Commission](#).





## Awareness of fee harm and the need for low-fee accounts

Most major Australian banks offer both low-fee and high-fee accounts. Low-fee accounts exist so that no Australian is 'excluded from the financial system or from accessing basic bank services or products for reason of financial or other barriers': see p 18 of the [Australian Banking Association application for authorisation \(PDF 2.0 MB\)](#).

Rules and guidance about low-fee accounts were first introduced in the Banking Code in 2013 after a [public campaign by the Consumer Action Law Centre and Choice](#) and Jan McClelland's 2008 recommendation that the Banking Code should include a provision for low-income customers to have access to low or no fee accounts. Low-fee accounts have features such as free direct debits and unlimited transactions within Australia with no account keeping fees, free statements and no overdraft or dishonour fees: see paragraphs 44B and 47 of the [2021 version of the Banking Code](#).

The Royal Commission revealed concerning examples of low-income customers in high-fee accounts experiencing high fees from informal overdrafts. A Royal Commission case study highlighted fee harm experienced by a remote Indigenous customer of ANZ. The customer wanted to switch to a low-fee account, but experienced substantial barriers partly due to arduous bank processes that required attending a branch and varying levels of self-advocacy. The Royal Commission found that the process to access an essential basic banking service fell below minimum community standards-


**Note:** See pp 479–487 of [volume 2 of the Interim Report of the Royal Commission](#).

Following the Royal Commission, the Australian Banking Association (ABA) updated the Banking Code to remove overdraft and dishonour fees on low-fee accounts: see [ABA media release, 29 February 2020](#). The ABA also committed member banks offering low-fee accounts to taking reasonable steps (at least annually) to identify and contact existing customers who may be eligible for a basic bank account but are in high-fee accounts: see condition 5.8(c) of the ACCC's [Determination: Application for authorisation](#), 21 November 2019.

The [2021 version of the Banking Code](#) includes four main obligations for members in relation to low-fee accounts. Based on those obligations, member banks must:

- › provide information and raise awareness of their low or no fee accounts to customers who self-identify as a low-income earner (paragraphs 42 and 45)
- › offer concession card holders who ask for a low-fee account an account that does not have an informal overdraft, or dishonour or overdraft fees (paragraph 47)
- › make banking services accessible to all customers who advise the bank they are Indigenous (paragraph 35), and
- › train staff to help them to recognise a customer who may qualify for a low-fee account (paragraph 48).

During reviews of the Banking Code, advocates highlighted the need for simpler processes to obtain a low-fee account, including removing the requirement to attend a branch, and for banks to be obliged to proactively identify and migrate low-income customers to low-fee accounts on an opt-out basis. A 2021 independent review of the Banking Code recommended inserting an obligation into the Banking Code committing banks to proactively review whether customers in receipt of government support payments are eligible for a low-fee account: see recommendation 39 of the [Independent review of the Banking Code of Practice 2021 final report](#).



An updated version of the Banking Code was approved by ASIC in June 2024 and will come into effect on 28 February 2025. While the updated Banking Code does not increase obligations on banks to proactively identify customers eligible for low-fee accounts, there are clauses regarding the promotion of low-fee accounts: see the [updated Banking Code \(PDF 2.0 MB\)](#). ASIC expects the ABA to work with its members to continue to improve access to low-fee accounts for customers on low incomes.

### **Design and distribution obligations and TMDs**

In 2021, new requirements were introduced into the *Corporations Act 2001* under the design and distribution obligations (DDO) regime. The DDO regime requires providers of financial products to ensure they issue those products to consumers in an appropriate target market and align product features (and associated fees) to the likely needs and objectives of the targeted consumers. Issuers of financial products must also publish TMDs for their products. The TMD must describe the product's target market, key features and how the issuer will monitor the distribution of the product.

The project considered the application of design and distribution obligations to the participating banks' high-fee and low-fee accounts—particularly when looking at fees experienced by low-income customers and to identify improvements that could be made to product design and distribution, to ensure better banking outcomes for low-income customers.

### **Alignment of the project with ASIC's RAP and Framework**

ASIC commenced the project to understand and quantify the impact of fee harm on low-income First Nations customers given findings by the Royal Commission, related amendments to the Banking Code and the introduction of the DDO regime. We are aware that fee harm can have a more pronounced impact on low-income customers. We are committed to addressing harm impacting consumers who may be at increased risk of experiencing vulnerability due to receiving low incomes, as well as First Nations customers.


With this history, ASIC sought to quantify that harm and address it by prompting the participating banks to make lasting improvements to internal processes and the distribution of their products.

The project aligns with the activities and outcomes of ASIC's [Reconciliation Action Plan 2023–26](#) (RAP), which details our vision for reconciliation—namely, that First Nations peoples have the freedom to pursue and achieve the financial lives they value. This means ensuring First Nations peoples are financially confident and appropriately informed consumers who experience positive financial outcomes and are supported by a culturally competent, equality driven and accessible financial system.

In particular, the project aligns with the following outcomes outlined in our RAP:

- › **Outcome 17:** Stronger ASIC understanding of the barriers faced by, and experiences of, First Nations consumers.
- › **Outcome 18:** Increased ASIC efforts to protect First Nations consumers from harm and misconduct, and improve financial outcomes.
- › **Outcome 19:** Reduction of harms and misconduct to improve financial outcomes experienced by First Nations consumers.





The project also aligns with the outcomes detailed in our [Indigenous Financial Services Framework](#), which include:

- › reduced impact of harms and misconduct on individuals and communities
- › the provision of accessible and appropriate financial products and services
- › positive and culturally appropriate experiences when engaging with the financial services industry, and
- › improved financial outcomes and financial wellbeing.

These outcomes are long term and require collaboration across a range of stakeholders whose roles affect First Nations peoples' access to and engagement with the financial system and financial wellbeing.



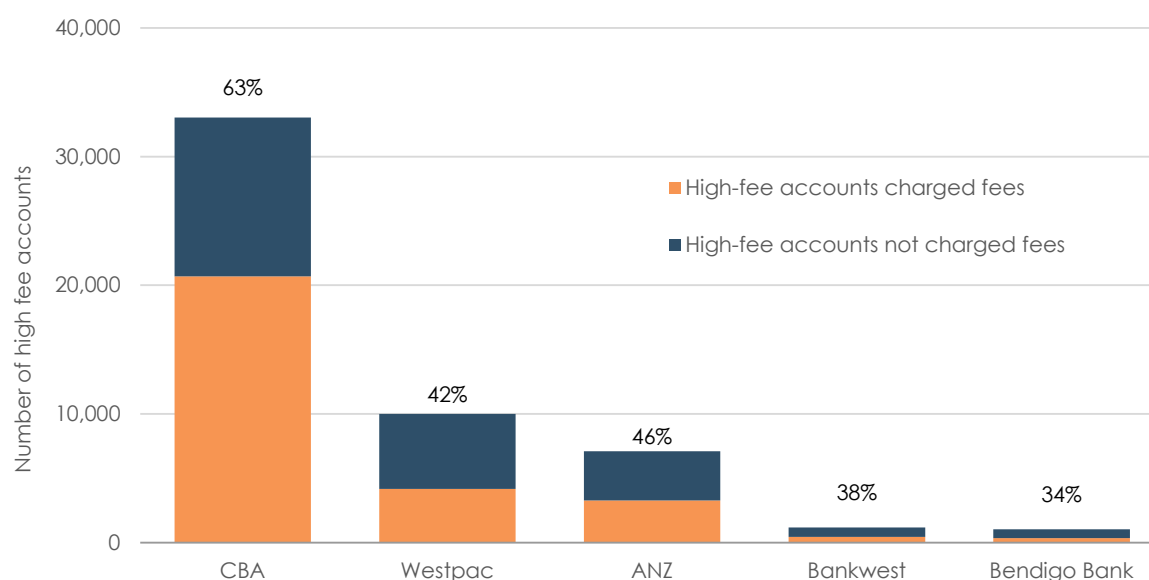
## Fee harm experienced by customers on low incomes

Our review of high-fee accounts found the following examples of significant fee harm to individual low-income customers during the project period:

- › An ANZ low-income customer was charged a total of \$3,606 in dishonour fees.
- › A Bankwest customer receiving a Carer Payment was charged \$610 in overdraw fees.
- › A Westpac customer receiving Parenting Payments was charged \$3,000 in overdraw fees.
- › A CBA customer on the Disability Support Pension was charged \$1,062 in assisted withdrawal and Bank@Post fees.
- › A Bendigo Bank customer receiving a Carer Payment was charged \$1,772 in account keeping fees.

We identified that the volume of high-fee accounts held by the project cohort varied greatly across the participating banks: see Figure 2. For example, CBA had the largest share of accounts with 33,029 high-fee accounts held by the project cohort compared to Bendigo Bank with 1,052 high-fee accounts. Some banks had a higher proportion of low-income customers in high-fee accounts being charged fees during the project period—for example, 63% of CBA's customers in the project cohort were charged fees compared with 34% of those customers at Bendigo Bank.

**Figure 2: Number and proportion of high-fee accounts charged fees for project cohort (November 2021 to November 2022)**



**Note 1:** See preceding two paragraphs for a description of this figure (accessible version).

**Note 2:** Fees charged to accounts in receipt of ABSTUDY payments may be double counted if the customer lives in an Indigenous pilot location.

Bankwest also provided nationwide account data. This was due to limited branch presence in Indigenous pilot locations. From Bankwest's nationwide data (including the project cohort in Figure 2), 98,777 high-fee accounts were held by low-income customers, with 28,769 (29%) of those accounts charged fees. The fees charged to these accounts included over \$706,000 in overdraft fees and over \$774,000 in dishonour fees, totalling over \$1.4 million.

Our review identified a range of fee types being charged repeatedly on high-fee accounts, including account keeping, overdraft, dishonour, assisted withdrawal and transaction fees (e.g. for regular electronic payments). None of these fees are charged on low-fee accounts and individual fees can be substantial—up to \$15 per transaction in some cases: see Table 1.

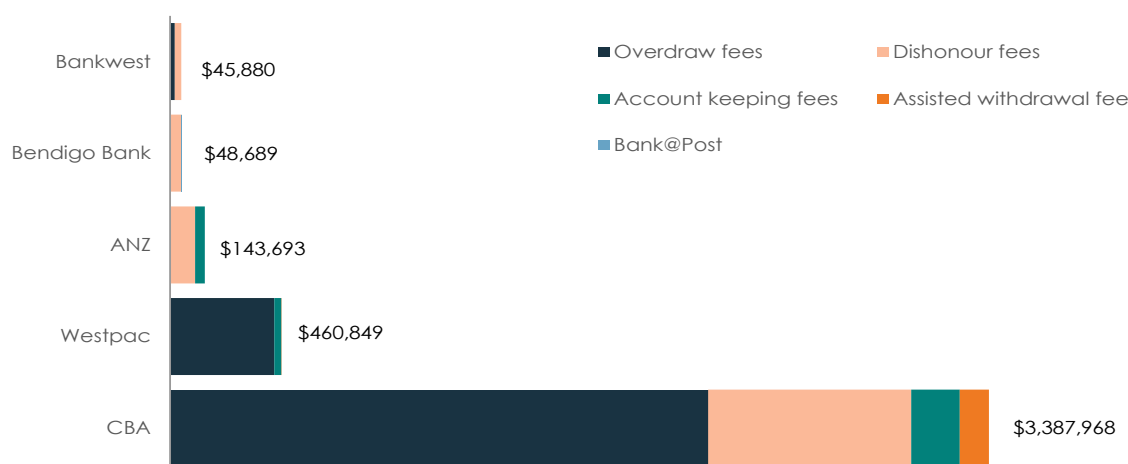
**Table 1: Fees charged per transaction on high-fee accounts across participating banks (as at July 2023)**

Fee type	ANZ	Bankwest	Bendigo Bank	CBA	Westpac
Account keeping fee	\$5	\$6	\$6	\$4–\$6	\$5
Assisted withdrawal fee	None	None	\$4	\$3	None
Bank@Post fee	None	None	\$4	None	None
Overdraft fee	None	\$10 plus interest	\$10 plus interest	\$15 plus interest	\$15 plus interest
Dishonour fee	\$6	\$10	\$10	\$5	None
Periodic payment fee	None	\$2.20–\$4.80	None	None	None

**Note:** Interest on overdraft fees means debit interest for all banks.

Some participating banks were responsible for higher total fee harm across the project cohort: see Figure 3.

**Figure 3: Total fees charged by participating banks by fee type (November 2021 to November 2022)**



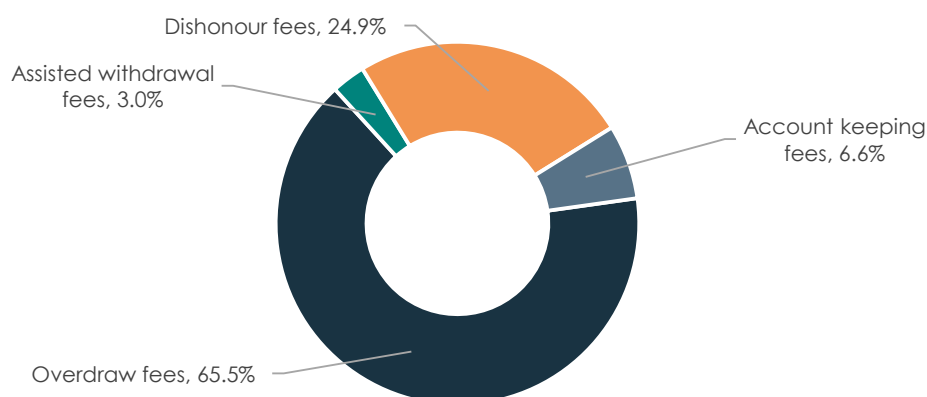
**Note 1:** For the data underlying this figure, see Table 5 (accessible version).

**Note 2:** Fees charged to accounts in receipt of ABSTUDY payments may be double counted if the customer lives in an Indigenous pilot location.

**Note 3:** Not all banks charged all fee-types shown in Figure 3.

We also observed that the predominant harm was from overdraw and dishonour fees, with these types of fees accounting for 90.4% of all fees charged: see Figure 4.

**Figure 4: Breakdown of fees incurred across the project cohort (November 2021 to November 2022)**



**Note:** See the paragraph above for a description of this figure (accessible version).

## The cost of regional and remote banking

Many of the Indigenous pilot locations are in regional and remote areas according to the [Australian Bureau of Statistics remoteness classifications](#). Consumers living in these areas often experience a range of challenges when accessing banking services including geographic remoteness, digital exclusion, internet outages and poor telecommunications reception.

Some banks have recognised these barriers and allow customers to conduct simple banking transactions at the local post office through [Bank@Post](#). All of the participating banks offered Bank@Post services, except ANZ. Our review identified that only Bendigo Bank charged its customers to use this service. Bendigo Bank charged customers \$4 per Bank@Post transaction. These fees were charged on high-fee and low-fee accounts. The fees were removed from low-fee accounts during the project period (in May 2022) but remain on Bendigo Bank's high-fee accounts. These fees would not be charged on transactions made in a Bendigo Bank branch, and therefore appear to disproportionately harm remote customers with no or limited access to a branch.

We also observed that, in some cases, fees were higher on average in particular remote locations: see Case study 1.

## Case study 1: Alice Springs region, Northern Territory

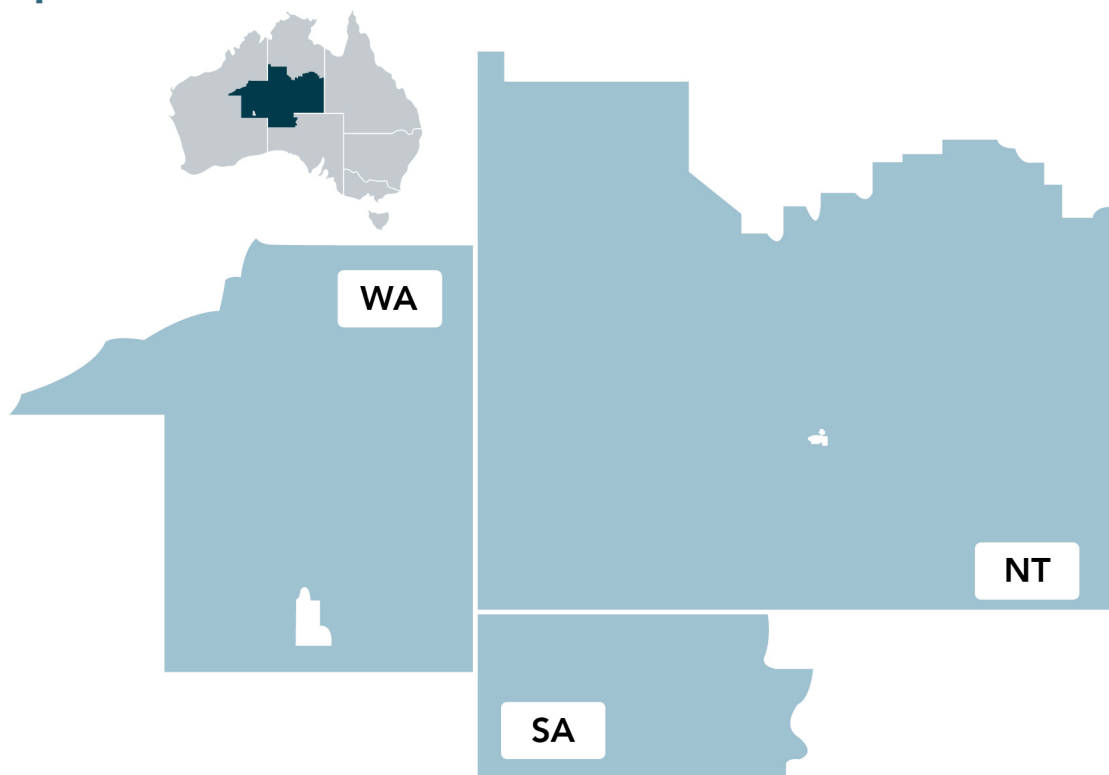
Australian postcode 0872 is one of the largest by area in Australia. It includes Alice Springs and stretches across South Australia, Northern Territory and Western Australia. Alice Springs also has additional postcodes because of the town's higher population density (i.e. 0870, 0874 and 0875). Despite the huge geographic area covered by postcode 0872, it has a population of only 14,676 (as at the [2021 Census](#)). This postcode is also one of the most disadvantaged in Australia, according to the 2021 Index of Relative Socio-economic Advantage and Disadvantage ([IRSAD](#)), with the median family income only 37% of the national median income.

The postcode 0872 was included in the project because its population includes 80.3% Aboriginal and/or Torres Strait Islander peoples, and 65.7% of the population speaks a language other than English at home. Bank branches are also sparse, meaning inclusive and accessible banking can be challenging. If banks require a customer to attend a branch, that customer has to navigate long distances and needs reliable transport and money for petrol. If the customer can get to a branch, there may be language barriers and the customer has to hope they brought the right paperwork, or risk having to repeat the journey.

Three of the four participating banks' data included postcode 0872 as an Indigenous pilot location, with a total of 3,054 low-income customers between them. Those low-income customers were collectively charged \$205,280 in fees, including \$115,325 in overdraw and \$37,674 in dishonour fees. Low-income customers in this postcode were more likely to be charged fees than low-income customers in other postcodes across the project cohort.

### Figure 5: Central Australia postcode 0872

Largest postcode in Australia, spanning multiple states, with a high proportion of First Nations peoples





## Frozen fees and customer remediation

As a result of this project, all participating banks have committed to customer remediation, with some banks already freezing or refunding fees. Overall, it is expected over \$28 million in fees will be returned to around 136,000 low-income customers.

**All banks should review the impact of high-fee accounts on all low-income customers and provide appropriate remediation for those identified as experiencing fee harm, particularly through overdraw, dishonour and account keeping fees.**

Both CBA and Westpac took immediate action after receiving ASIC's key findings and recommendations in July 2023 to either 'freeze' (i.e. stop charging) fees or refund fees to the project cohort. The impact of this action alone resulted in the following:

- › A refund of over \$428,000 in fees charged to high-fee Westpac accounts nationwide, including reimbursement of over \$125,000 in fees that were charged to customers in the project cohort from 6 July 2023. This included refunding one Westpac customer receiving Carer Payments over \$4,220 in overdraw fees.
- › CBA freezing over \$3 million in fees from August 2023 that would have otherwise been charged. As a result, one CBA customer from the project cohort avoided paying over \$925 in dishonour fees.

All of the participating banks have committed to customer remediation, with varying timeframes and scope. Some banks moved swiftly in response to fee harm identified during the project and have already paid substantial remediation. The total fees the participating banks have committed to returning to low-income customers is over \$28 million: see Figure 6. Their commitments to remediation include the following:

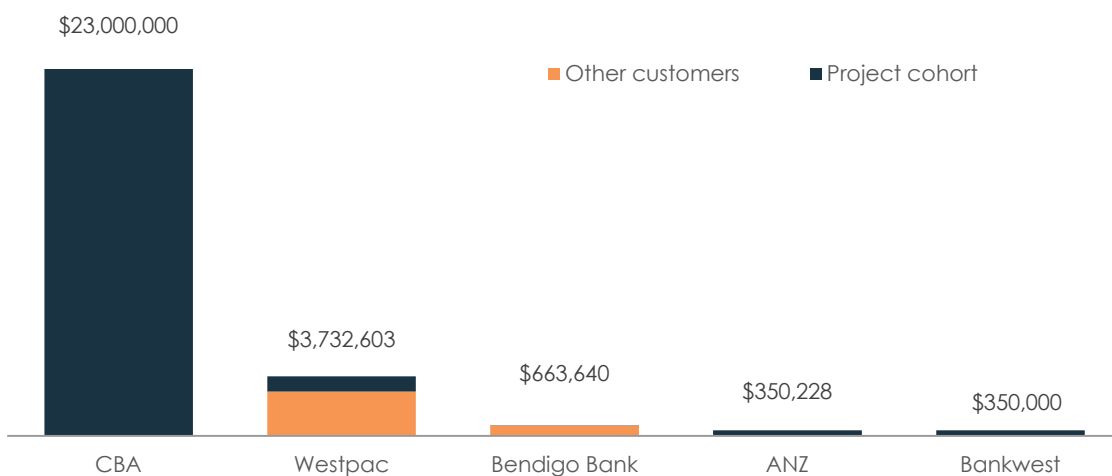
- › Westpac has already refunded over \$3.8 million in fees to over 25,000 accounts and has plans for further remediation to over 600 accounts of around \$79,000 for fees incurred from July 2019 to July 2023. If a customer held multiple accounts but received a government concession payment into only one of those accounts, Westpac refunded fees charged to all accounts held by that customer. Westpac's Indigenous Banking team is assisting to ensure that impacted customers in remote areas can receive remediation even if their account has since been closed. For example, additional contact methods such as phone calls, emails and text messages were used to confirm alternate account details for over 670 impacted customers in remote areas. Westpac is also writing off any debit balances in the low-fee accounts that exist 7 days after being migrated from a high-fee account. This includes at least 174 accounts with a total debit balance of \$23,301.28 waived to date.
- › ANZ has committed to refunding the project cohort for account keeping, dishonour and direct debit fees incurred from 1 November 2021 until its opt-out campaign is implemented. ANZ's proposed opt-out campaign will commence at the end of 2024. It expects to return over \$350,000 in fees to over 5,600 low-income customers. While this is a good outcome for those customers, ANZ has opted not to refund customers outside the project cohort, who incurred in excess of \$12 million in fees.
- › Bendigo Bank has committed to refunding overdraw, dishonour, Bank@Post and account keeping fees for customers who are migrated to a low-fee account via the opt-out campaign due to commence in August 2024. These refunds will cover fees charged from 1 July 2023 to



the date the customer is migrated. Bendigo Bank expects remediation of approximately \$664,000 to 16,900 accounts.

- › CBA has committed to refunding approximately \$23 million in fees to around 87,000 customers in the project cohort with high-fee accounts. Refunds will cover fees incurred between July 2019 and August 2023 (which is when CBA froze fees as a result of the project) and will be paid from the first quarter of the 2024–25 financial year. Refunds will include all debit interest, dishonour, overdraft and account keeping fees incurred by the project cohort. CBA has not committed to refunding customers in high-fee accounts who were not part of the project cohort.
- › Bankwest will refund around \$350,000 to approximately 2,000 customers in the project cohort for fees incurred from July 2019 to March 2023 (which is when those fees were removed). Bankwest has not committed to refunding customers outside of the project cohort.

**Figure 6: Total remediation committed by the participating banks for the project cohort and other customers (as at June 2024)**



**Note:** See paragraphs above for a description of this figure (accessible version).

## Review and redesign of high-fee accounts

Some of the participating banks reviewed their product offerings for low-income customers. In March 2023, Bankwest redesigned its high-fee accounts and removed fees from those products. This means all Bankwest accounts are now low-fee accounts that no longer offer formal or informal overdrafts, and do not incur overdraft, dishonour or account keeping fees. Bankwest also removed periodic payment, debit interest and paper statement fees.

**Note:** Even though the redesign took place during this project, Bankwest designed and planned these changes before engaging with ASIC on this project.

In April 2024, CBA advised ASIC it had commenced steps to create an alternate low-fee transaction account. This will retain informal overdraft features but will not charge overdraft or dishonour fees (although interest will be charged on overdrawn amounts in certain circumstances). It will include a nominal monthly account keeping fee. This new product will not be available until the end of 2025, at which stage CBA will conduct opt-out migration for customers incurring fee harm. CBA has committed to continuing to freeze fees for customers in the project cohort until that time.

## Processes for moving customers to low-fee accounts

The participating banks have taken a nuanced approach to their migration campaigns and have committed to using opt-out migration processes to migrate low-income customers to low-fee accounts. This will prevent ongoing fee harm for those customers.

**All banks should review, monitor and continuously improve the effectiveness of their processes for migrating customers on low incomes to low-fee accounts. Banks should reduce customer burden and ensure appropriate account distribution to low-income customers.**

Our review of the participating banks' existing migration campaigns revealed that customers who were eligible for low-fee accounts were required to take proactive steps to access those accounts. This included attending a bank branch or calling a generic phone number. These campaigns are referred to as 'opt-in' migration campaigns because each customer must take action to opt in to the migration. Opt-in migration campaigns resulted in low percentages of customers moving from high-fee to low-fee accounts.

Table 2 outlines the participating banks' migration methods and conversion rates before the project intervention.

**Table 2: Migration methods and conversion rates before the project**

Bank	Migration method	Conversion rate
ANZ	Opt-in	1.2%
Bankwest	Opt-out	100%
	Opt-in	0.28%
Bendigo Bank	Opt-in	47%
CBA	Opt-in	0.5%
Westpac	Opt-in	Less than 1%
Westpac (sub-brands)	Opt-in	3%

The only effective opt-in campaign identified in our review was Bendigo Bank's 2022 campaign. This had a 47% success rate for migrating customers to a low-fee account and included targeted phone calls to the identified customers.

A more effective approach was to undertake an 'opt-out' migration campaign, in which a bank automatically migrates a customer from a high-fee account to a low-fee account unless that customer opts out within a set period. Bankwest was identified as the only participating bank to undertake a targeted opt-out campaign before the project: see Case study 2.

## Case study 2: Bankwest's opt-out campaign

In 2022, Bankwest undertook both opt-in and opt-out migration campaigns to migrate customers to low-fee accounts.

Bankwest's opt-in campaign targeted customers who received less than 50% of their income from government payments or had special features on their account (such as a chequebook). The opt-in letter required those customers to take active steps to switch to a low-fee account (i.e. using the Bankwest app, calling the Bankwest contact centre or attending a Bankwest branch).

Bankwest's opt-out campaign targeted customers who received more than 50% of their income from government payments and had incurred at least one dishonour or overdraw fee in the 12 months before the letter was sent. The letter advised customers that they would automatically be migrated to a low-fee account unless the customer chose to opt out of the migration.

Less than 1% of customers who received the Bankwest opt-in campaign message migrated to a low-fee account. However, 100% of customers who received the opt-out campaign message were migrated to the low-fee account.

## Helping customers on low incomes access low-fee accounts—a move to opt-out

As a result of this project, in 2024, all participating banks committed to improving migration campaigns for low-income customers. However, the scope and timing differ across the banks. The commitments include improvements for all low-income customers nationwide, not just the project cohort.

Importantly, all participating banks took up ASIC's recommendation to embrace opt-out migration where the banks write to customers advising they will be switched to a low-fee account, unless they choose to retain their higher-fee account by opting out. The banks shifted from a predominantly opt-in migration model to a hybrid model that involves opt-out approaches for significant cohorts of customers, while retaining opt-in approaches for other customers. While there was no uniform opt-out methodology applied, the participating banks developed unique approaches to proposed opt-out migration:

- › All participating banks declined to send opt-out correspondence to customers who had special features attached to their high-fee accounts, but the features varied across banks (such as an attached offset account, chequebook feature or savings functions with interest).
- › Bendigo Bank chose not to send opt-out correspondence to customers who held accounts that accrued interest (i.e. Bendigo Retirement account).
- › CBA chose not to instigate a broad-reaching opt-out campaign until it has developed a new product with nominal fees (albeit, not a 'basic' product under the Banking Code).

The move to opt-out campaigns was a significant shift from the majority opt-in campaigns identified in our review. An example of how Westpac navigated this change is highlighted in Case study 3.

### Case study 3: Westpac's 'Should We?' test

Before the project, Westpac had an annual opt-in campaign inviting customers identified as being on low incomes to take action and switch to a low-fee account. This had a conversion rate of less than 1%.

In August 2023, after receiving ASIC's key findings, Westpac shifted to an opt-out migration approach for 67% of its customers in the project cohort. At that stage Westpac chose to exclude some customers based on specific account features and usage, but this was later revised, resulting in Westpac conducting opt-out migration for 84% of its project cohort customers.

Following the success of its first opt-out campaign in 2023 and the positive customer response (i.e. a low number of opt-out responses and low complaint rate of only 0.05%), Westpac expanded the campaign to all low-income customers nationally. The expanded opt-out migration campaign will include over 488,000 customers by the end of 2024.

Some participating banks have committed to running an opt-out campaign imminently and others already have campaigns underway. It has been clear from these campaigns that opt-out migration is more successful, with 92.9% of all accounts that were successfully migrated resulting from an opt-out campaign.

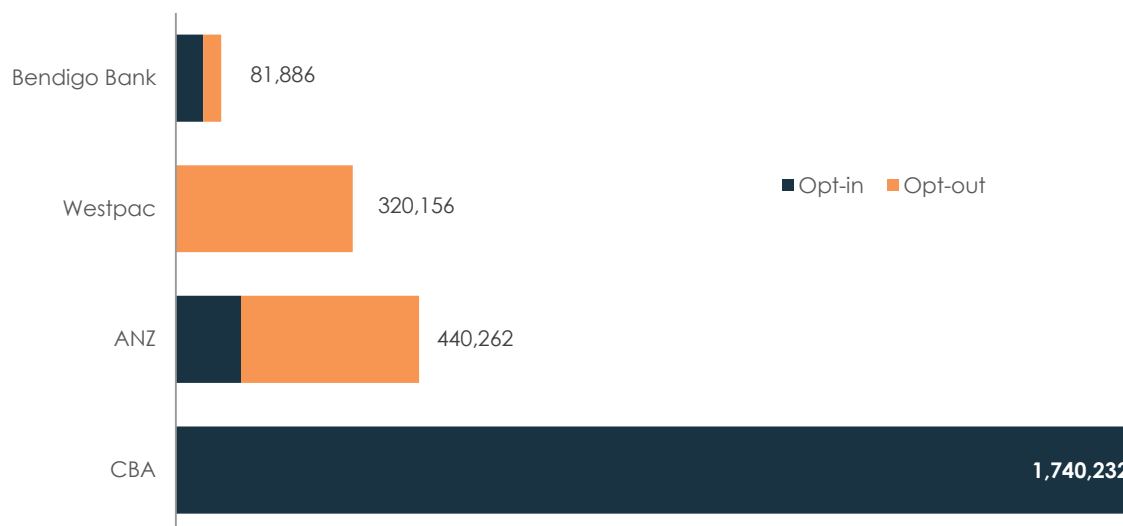
Westpac and CBA have completed opt-out migration campaigns, and there is evidence of a vast increase in customers migrated to low-fee accounts. As at the publication date of this report, as a result of the project, Westpac and CBA's opt-out campaigns have resulted in the following:

- › Westpac migrated 167,990 customers to low-fee accounts using opt-out correspondence, demonstrating a 97% success rate. This is compared with 5,900 customers who were migrated to low-fee accounts using opt-in correspondence, which had only a 2% effectiveness rate. The remaining 320,156 customers will be captured in opt-out migration campaigns by the end of September 2024.
- › CBA migrated over 18,810 customers to low-fee accounts using opt-out correspondence, demonstrating a 95% success rate. This is compared with 4,938 customers who were migrated to low-fee accounts using opt-in correspondence, which had only a 4% effectiveness rate.

All participating banks have plans for future migration campaigns. As stated above, Westpac is planning to correspond with at least 320,156 more customers by the end of September 2024.

ANZ and Bendigo Bank have also committed to migrating customers to low-fee accounts, planning opt-out and opt-in migration campaigns for over 440,000 accounts and over 81,000 accounts, respectively. These campaigns are slated to occur in mid-2024 for ANZ and by August 2024 for Bendigo Bank. Total customer numbers for future campaigns across banks are indicated in Figure 7.

**Figure 7: Number of accounts committed for future migration based on campaign type (as at June 2024)**




**Note:** See paragraphs above for a description of this figure (accessible version).

In response to the recognised benefits of opt-out campaigns, Bendigo Bank will also upgrade its core banking system to establish monitoring flags that automatically scan and identify low-income customers who are eligible for opt-out migration. The system will analyse payment data to identify customers holding high-fee accounts who receive eligible government concession payments. Customers who have received at least two government concession payments a month, for three consecutive months will be sent opt-out migration correspondence to migrate to a low-fee account. This is a step ASIC envisages other banks also adopting.

Participating banks that implemented targeted opt-in campaigns also adopted multi-channel physical and electronic correspondence methods (such as sending a text message to follow up on a letter) and provided tailored content:

- › ANZ wrote to customers in their high-fee account using clear and direct language. It included a call to action and the phone number for its First Nations customer support. Letters also included a fee snapshot table, breaking down the differences between the high-fee and low-fee account options.
- › CBA tailored correspondence to its low-income customers and customers who use its Indigenous call line by including a new call to action and information on features and benefits of its existing high-fee and low-fee accounts. This was informed by their Community of Practice, which includes First Nations peoples and representatives who assist First Nations peoples in their communities.
- › Westpac used simpler language in its letters and included clear details about its Indigenous call line.
- › Bendigo Bank amended the wording of its correspondence to clearly outline that low-income customers are eligible for its low-fee account. It also maintained a multi-channel approach, including calling customers of accounts that had a listed phone number and sending letters to customers who had not recorded their phone number or email address.





All banks incorporated input from First Nations employees or consultants to tailor correspondence to the customers identified in the project. Many of these campaigns used multi-channel correspondence to enhance their effectiveness such as:

- › combined written communications including email, letter, text messaging and digital messaging through a banking platform with links to resources on dedicated Indigenous service channels, and
- › phone calls to customers who could opt-in to migration.

While targeted opt-in design was an improvement, it was not much more effective. For example, CBA conducted two targeted opt-in correspondence campaigns in 2023 and 2024 resulting in only 4% of the customers opting to switch to the low-fee product. CBA also conducted one opt-out migration campaign for some remote First Nations customers and customers who had been charged dishonour or overdraft fees four or more times over a three-month period. The effectiveness of the opt-out migration was 95.24%.

## **Beyond the project cohort—migration of customers nationwide**

All participating banks expanded the improved migration campaigns to include low-income customers beyond those identified in our project. Overall, the expansion of the migration campaigns has resulted in:

- › over 1.22 million customers nationwide receiving migration correspondence to switch to a low-fee account
- › over 700,000 customers to receive migration correspondence in future campaigns, and
- › over 200,000 customers already being migrated to a low-fee account.





## Removing barriers to obtaining a low-fee account

In addressing fee harm, the participating banks have made it easier for low-income customers to access low-fee accounts. All participating banks have removed burdensome processes like attending a bank branch to migrate to a low-fee account. Most banks have also amended their TMDs to clarify that customers receiving government concession payments are eligible for a low-fee account and do not need to present their concession card.

**The broader banking industry should review and improve the promotion and distribution of high-fee and low-fee accounts. This includes considering TMDs and the distribution of account features with specific fees that could cause fee harm to low-income customers. Banks should use information that is readily available and not impose unnecessary burdens like requiring low-income customers to demonstrate they hold a concession card.**

Our review of the participating banks' TMDs, terms and conditions and account opening processes demonstrated that most banks required customers to provide evidence of a concession card to qualify for a low-fee account. Some banks required customers to attend a branch to show their concession card, despite being able to confirm whether customers received relevant government support payments using their own systems. These processes created barriers for customers trying to access low-fee accounts.

Following our correspondence, all of the participating banks removed the requirement to attend a branch. Most banks also simplified the 'proof of concession card' approach to a process where the banks observed whether a customer received relevant government payments to make them eligible for a low-fee account. Some examples of new processes include:

- › ANZ no longer requires customers to attend a branch and show their concession card to be eligible for a low-fee account. Instead, ANZ will ask customers if they receive a concession payment. This is considered proof of eligibility for the low-fee account.
- › Westpac provided its regional retail brand customers with a new option to open an account online or over the phone, bringing it in line with other Westpac brand customers.
- › Bendigo Bank removed the requirement to show a concession card to be eligible for a low-fee account. The bank now reviews customer transaction data to identify eligibility for a low-fee account based on receipt of government benefits payments.
- › CBA improved account switching processes to enable concession card holders to switch accounts over the phone rather than in branch only. However, eligibility for CBA's low-fee account still requires the customer to hold a concession card, whereas other banks removed this requirement.

### Improvements to TMDs

The above process changes by the participating banks expanded customer eligibility for low-cost accounts. Some banks also made correlating amendments to TMDs, including amending the 'class of consumers' and 'product attributes' descriptors in their TMDs.





Specific examples of the banks' TMD improvements include:

- › Westpac amended the product description, class of consumers and eligibility requirements in its low-fee account TMD to clarify that it was for individuals who 'receive an Australian Government payment that makes them eligible to hold a Concession or Health Care card'. Westpac also amended its high-fee account TMDs to clarify that the needs, objectives and financial situation of the target market for high-fee products includes customers who are eligible for the low-fee account but 'need product attributes' that are not available on the low-fee account.
- › ANZ clarified in its TMD that customers who 'qualify to hold' a concession card are eligible for its low-fee account.
- › Bankwest significantly amended the TMDs and underlying terms and conditions for its high-fee accounts by removing formal overdraft facilities and dishonour and account keeping fees, converting them to low-fee products. The eligibility clauses were also updated to increase access stating that, 'a customer is not required to hold an eligible concession card in order to hold this product'.
- › Bendigo Bank intends to introduce broader eligibility criteria for its low-fee account. It will make changes to supporting documents, including the TMD for the low-fee account, to specify that customers in receipt of an eligible government or concession payment can access that product.





## Providing specialist services for First Nations customers

The participating banks have reviewed their specialist services for First Nations customers. Three of the four banks already had dedicated call lines and have looked for ways to improve these to ensure appropriate language and forms of communication for their First Nations customers. Bendigo Bank has committed to establishing a specialist call line to better meet the needs of their First Nations customers.

**We expect all banks across the industry to ensure appropriate and adequate promotion and resourcing of specialist First Nations services. This will require banks to know which of their customers are engaging with these services or could benefit from engaging with these services. Banks also need to commit to continual reflection and improvement of their First Nations services to ensure they remain fit for purpose.**

One way that banks can offer a tailored service for their First Nations customers is by providing specialist services such as Indigenous call lines and targeted outreach to First Nations customers. Ideally these services are accessible, led by First Nations employees, and communicate in a culturally safe and appropriate way. It is also best if such services are open to feedback, responsive to community needs, committed to continual improvement, funded appropriately and permanent.


The Banking Code recognises the disparities between the experiences of Aboriginal and Torres Strait Islander peoples and other Australians in many areas, including economic security and financial inclusion: see [ABA industry statement: Supporting Aboriginal and Torres Strait Islander people \(PDF 184 KB\)](#). Member banks have committed to providing inclusive and accessible banking services to Aboriginal and Torres Strait Islander peoples, including those in remote locations.

In this project, ASIC reviewed how participating banks use their specialist services to assist First Nations customers, particularly those eligible for a low-fee account. We found that three major participating banks had specialist services for their First Nations customers. However, all of those banks failed to mention these services when communicating with customers in migration campaigns. There was also minimal tailoring of communications based on location or distance from a branch—even when a bank required a customer to attend a branch to change accounts as part of the opt-in migration campaign. Rather, all migration campaigns used generic opt-in letters and emails to offer low-fee accounts, even those to remotely located customers.

### Improvements to how banks serve First Nations customers

ASIC identified opportunities for the participating banks to improve their specialist services for First Nations customers, including by increasing proactive engagement with First Nations customers, promoting dedicated Indigenous communication channels (such as call centres) and collecting and analysing data about these specialist services to facilitate continuous improvements.

In response to the project, the participating banks have improved their specialist services for First Nations customers with an increased focus on customer-centric processes. This includes reviewing and improving written communications targeted at specific cohorts (such as remotely located First Nations customers). All participating banks incorporated feedback from First Nations experts



into targeted correspondence to include culturally appropriate and accessible content and commit to future initiatives. These improvements looked different across the participating banks and included the following:

- › ANZ improved its written communications to customers by including details of its Indigenous telephone support line in customer correspondence sent as part of its migration campaigns and in awareness materials provided to financial counsellors working in relevant geographic areas.
- › CBA increased resourcing to its Indigenous call line and committed to increasing outreach to remote areas, including 46 remote communities by the end of the 2026–27 financial year, to help customers conduct remote banking such as through self-service digital options. CBA has also committed to further complementary process changes and education initiatives, including introducing educational recordings spoken by First Nations peoples instead of standardised wait messages on its Indigenous call line.
- › Bankwest improved awareness of its Indigenous call line by providing a First Nations support guide, which is available to community representatives, and implementing a First Nations interpreter service for 13 First Nations languages.
- › Bendigo Bank has committed to developing its first ever dedicated Indigenous call line to assist its First Nations customers.
- › Westpac increased awareness of its Indigenous Banking team by featuring the Indigenous call centre details more prominently on its website and in written customer communications, providing remote communities with business cards including the Indigenous call centre details, and conducting virtual sessions with financial counsellors in specific areas to identify barriers and develop solutions for customers using digital banking.

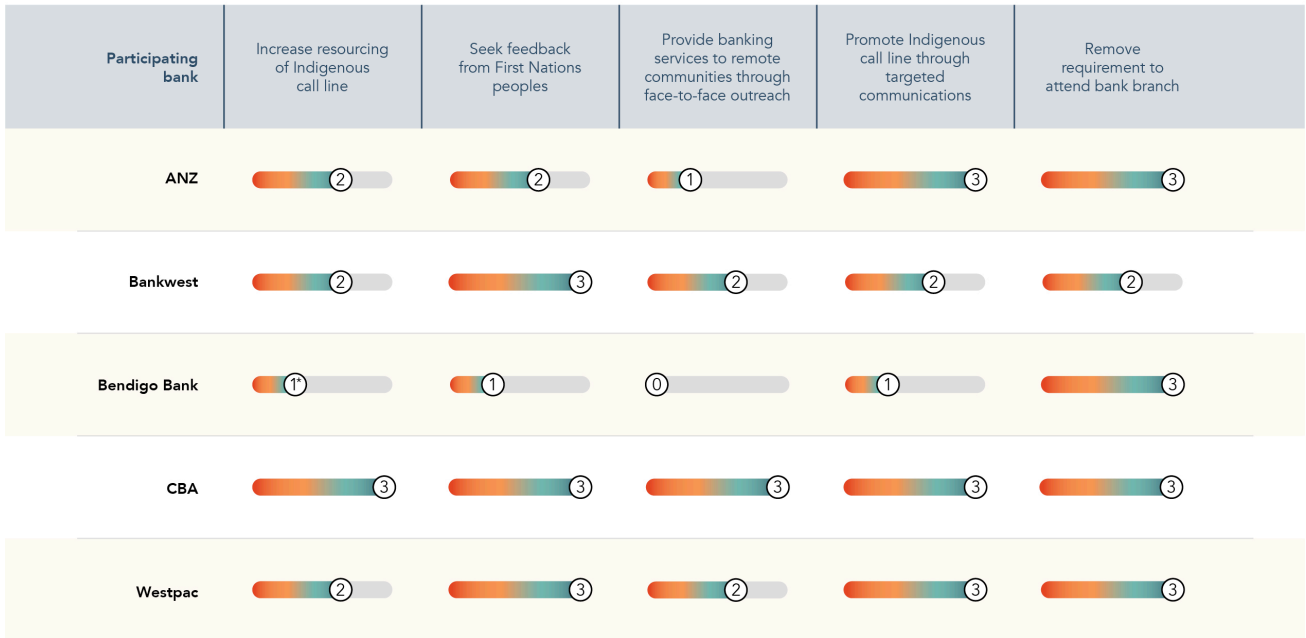
#### **Case study 4: CBA's First Nations Reach Program**

CBA's First Nations Reach Program provides face-to-face banking service channels in remote to very remote First Nations communities, including dedicated outreach trips providing banking services. These trips are funded for 2.5 years, for up to 5 business days each trip, and cover a range of basic banking services (e.g. opening accounts, transferring money, issuing and activating cards) and education on topics such as digital banking, phone banking through the Indigenous call line and financial wellbeing sessions.

CBA's community banking outreach events for 2024 will take place across Queensland, Western Australia and South Australia.

Figure 8 demonstrates the participating banks' progress with improving services for First Nations consumers.

Figure 8: Progress made to improve specialist services for First Nations consumers



0: No commitment to future action | 1: Commitment to future action | 2: Actions commenced | 3: Actions implemented

\*Bendigo Bank has committed to establishing an Indigenous call line rather than increasing resources

## Appendix 1: Methodology

ASIC used the following external data sources to develop the project methodology:

- › [Authorised deposit-taking institutions' points of presence statistics](#), Australian Prudential Regulation Authority—specifically bank branch locations
- › [Indigenous populations statistics](#), Australian Bureau of Statistics (ABS), and
- › [Regional and remote area classifications](#), ABS.

We identified banks with the highest branch presence in regional and remote areas where there was also a higher-than-average First Nations population. Locations were considered if they had a proportionate population of 5% or more First Nations peoples.

ASIC reviewed the product offering across the identified banks and excluded banks that did not charge overdraft, dishonour and account keeping fees on their transaction accounts. As a result, while some banks had a significant presence in identified locations—such as National Australia Bank and Suncorp Bank—they were not included in the project as they did not charge the relevant fees.

Based on the above review, we developed a tailored list of postcodes for each participating bank based on branch locations. These postcodes made up the Indigenous pilot locations.

The following breakdown shows:

- › the number of Indigenous pilot locations across the participating banks (see Table 3)
- › a geographical representation of Indigenous pilot locations per state in (see Figure 9), and
- › the postcodes for which the participating banks provided data (see Table 4).

**Table 3: Number of Indigenous pilot locations across the participating banks**

Participating bank	Number of locations
ANZ	19
Bankwest	25
Bendigo Bank	14
CBA	25
Westpac	20

**Note:** At the time we formulated our methodology, Bankwest had low branch numbers in regional and remote areas. They therefore provided data from low-income customers on a nationwide basis, as well as data for the Indigenous pilot locations identified for CBA. For this reason, Bankwest's and CBA's Indigenous pilot locations are the same, and Bankwest data does not reflect branch presence at those locations.

Figure 9: Geographical representation of Indigenous pilot locations per state

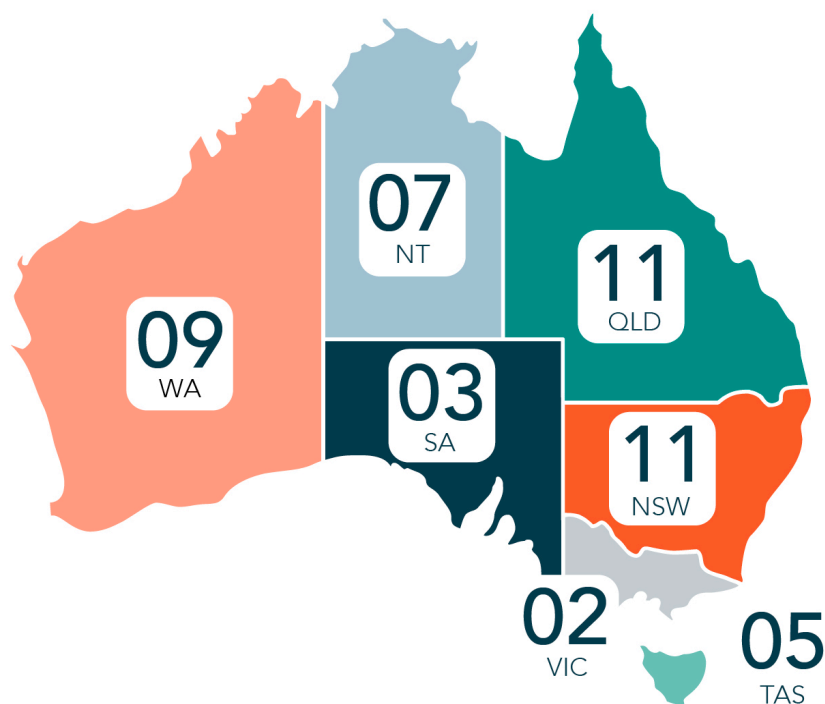




Table 4: Postcodes for which the participating banks provided data

Postcode – region	State/territory	ANZ	Bendigo Bank	CBA/ Bankwest	Westpac
0850 – Katherine	NT	Y	Y	Y	Y
0860 – Tenant Creek	NT				Y
0870 – Northern Alice Springs and White Gums	NT			Y	
0872 – Yulara (Central Australia)	NT	Y	Y	Y	
0873 – Southern Alice Springs	NT	Y	Y	Y	Y
0880 – Nhulunbuy	NT				Y
0886 – Jabiru	NT				Y
2653 – Tumbarumba	NSW		Y		
2824 – Warren	NSW			Y	
2825 – Nyngan	NSW			Y	



Postcode – region	State/territory	ANZ	Bendigo Bank	CBA/ Bankwest	Westpac
2829 – Coonamble	NSW			Y	
2830 – Dubbo	NSW	Y		Y	Y
2832 – Walgett	NSW			Y	
2834 – Lightning Ridge	NSW				Y
2835 – Cobar	NSW			Y	
2839 – Brewarrina	NSW			Y	
2840 – Bourke	NSW			Y	
2880 – Broken Hill	NSW	Y		Y	Y
3304 – Heywood	Vic		Y		
3892 – Mallacoota	Vic		Y		
4470 – Charleville	Qld			Y	
4626 – Mundubbera	Qld		Y		
4710 – Emu Park	Qld		Y		
4730 – Longreach	Qld	Y			Y
4816 – 40 unique locations in Far North Queensland	Qld	Y		Y	
4820 – Charter's Towers and surrounds	Qld	Y		Y	Y
4821 – Hughenden and surrounds	Qld	Y		Y	
4825 – Mt Isa	Qld	Y		Y	Y
4871 – 103 unique locations in Cape York	Qld	Y		Y	
4873 – Mossman	Qld		Y		
4890 – Normanton	Qld				Y
5652 – Wudinna	SA				Y
5690 – Ceduna	SA	Y			Y
5723 – Coober Pedy	SA				Y
6317 – Kojonup/ Katanning	WA	Y			





Postcode – region	State/territory	ANZ	Bendigo Bank	CBA/ Bankwest	Westpac
6367 – Kulin/Kondinin	WA		Y		
6429 – Coolgardie	WA	Y		Y	
6430 – Kalgoorlie	WA	Y		Y	Y
6431 – Warburton/Great Fields and surrounds	WA	Y		Y	
6432 – Boulder	WA	Y		Y	Y
6442 – Kambalda	WA	Y		Y	
6743 – Kununurra	WA				Y
6751 – Tom Price	WA				Y
7260 – Scottsdale	Tas				Y
7306 – Sheffield	Tas		Y		
7310 – Devonport and surrounds	Tas		Y		
7315 – Ulverstone and surrounds	Tas		Y		
7330 – Smithton	Tas	Y	Y	Y	

**Note:** For accessibility purposes, 'Y' should be taken as 'Yes'.

The participating banks advised ASIC that they could identify customers in receipt of ABSTUDY payments, so these customers were also included in the project cohort.


Having identified the participating banks and received data from them, ASIC conducted a review of data that covered a 12-month period (i.e. 1 November 2021 to 24 November 2022). The aim of the review was to provide insight into:

- › the distribution and impact of high-fee accounts held by customers in the project cohort
- › existing processes for identifying customers likely eligible for a low-fee account and their effectiveness, and
- › communication by the participating banks and their engagement with identified customers.

In July 2023, ASIC highlighted a range of key findings with each of the participating banks from the data they had provided and provided a range of recommendations to consider. Our key findings were tailored to the banks' specific products and customers. While there were some nuanced findings, the primary recommendations were consistent for all of the participating banks and included consideration to:

- › improve processes for migrating customers from high-fee to low-fee accounts, including considering opt-out migration to reduce the customer burden in account switching
- › refund or remediate customers who were identified as having experienced fee harm in high-fee accounts while being eligible for a low-fee account



- 
- › improve account distribution, including when transaction accounts are opened and through migration processes, to increase eligibility of low-income customers for low-fee accounts, rather than limiting eligibility to customers who can demonstrate they hold a concession card
  - › improve promotion and resourcing of the participating banks' specialist services to First Nations customers, including Indigenous call lines, and
  - › identify customers who identify as being of Aboriginal and/or Torres Strait Islander heritage to assist in meeting those customers' needs and objectives.

The participating banks were given an opportunity to respond to these recommendations before finalising the project.







## Appendix 2: Accessible versions of figures

Table 5: Total fees charged by participating banks by fee type (November 2021 to November 2022)


Fee type	ANZ	CBA	Bankwest	Bendigo Bank	Westpac
Overdraw	\$0	\$2,225,745	\$18,920	\$0	\$430,440
Dishonour	\$103,614	\$840,785	\$26,960	\$46,620	\$0
Account keeping	\$40,079	\$201,000	\$0	\$489	\$29,469
Assisted withdrawal	\$0	\$120,438	\$0	\$0	\$940
Bank@Post	\$0	\$0	\$0	\$1,580	\$0
<b>Total</b>	<b>\$143,693</b>	<b>\$3,387,968</b>	<b>\$45,880</b>	<b>\$48,689</b>	<b>\$460,849</b>

**Note:** This is the data shown in Figure 3.

# Key terms and related information

## Key terms

<b>ABA</b>	Australian Banking Association
<b>ABSTUDY customers</b>	Banking customers who receive ABSTUDY government payments. ABSTUDY is a group of payments for Aboriginal or Torres Strait Islander students or apprentices
<b>ANZ</b>	Australian New Zealand Banking Group Limited
<b>Banking Code</b>	The ABA's Banking Code of Practice to which banks subscribe
<b>Bendigo Bank</b>	Bendigo and Adelaide Bank
<b>CBA</b>	Commonwealth Bank of Australia
<b>concession card</b>	Australian Government issued Commonwealth Seniors Health Card, Health Care Card or Pensioner Concession Card
<b>design and distribution obligations (DDO)</b>	The obligations in Pt 7.8A of the Corporations Act
<b>high-fee account</b>	Any transaction account that attracts account keeping, dishonour and overdraft fees
<b>Indigenous pilot locations</b>	Postcode locations identified for the project based on a higher-than-average First Nations population and low density of bank branches. For a full list of postcodes, see Appendix 1
<b>low-fee account</b>	An account that meets the criteria for a basic, low or no fee account as set out in paragraphs 44B and 47 of the <a href="#">2021 version of the Banking Code</a> —that is, an account that has no account keeping fees, free periodic statements, no minimum deposits, free direct debit facilities, access to a debit card at no extra cost and free and unlimited transactions within Australia
<b>low-income customers</b>	Banking customers who receive government payments and are eligible for a concession card. The criteria for holding these cards include: <ul style="list-style-type: none"><li>› being a resident in Australia</li><li>› meeting paid employment limits, and</li><li>› receiving payments including the following:<ul style="list-style-type: none"><li>– Carer Payment, JobSeeker Payment, Special Benefit, Youth Allowance, Austudy, ABSTUDY, Living Allowance, Parenting Payment (partnered), Farm Household Allowance, Age Pension, Disability Support Pension, Parenting Payment (single), Department of Veterans' Affairs Service Pension</li></ul></li></ul>



<b>participating banks</b>	Banks participating in the project, namely: <ul style="list-style-type: none"> <li>› ANZ</li> <li>› Bendigo Bank</li> <li>› CBA, including Bankwest, and</li> <li>› Westpac</li> </ul>
<b>project</b>	ASIC's Better banking for Indigenous consumers project, which focused on reducing harm to First Nations consumers experiencing excessive fees from high-fee transaction accounts
<b>project cohort</b>	Customers of the participating banks who lived in the Indigenous pilot locations or received ABSTUDY payments between 1 November 2021 and 24 November 2022 and customers (where identifiable) who interacted with a participating bank's specialist Indigenous service channels such as an Indigenous call line
<b>project period</b>	The period during which ASIC requested and reviewed data from the participating banks (i.e. 1 November 2021 to 24 November 2022)
<b>RAP</b>	ASIC's <a href="#">Reconciliation Action Plan 2023–26</a>
<b>target market determination (TMD)</b>	Has the meaning given in s994B of the Corporations Act
<b>Westpac</b>	Westpac Banking Corporation, including St.George, BankSA and Bank of Melbourne

## Related information

### Headnotes

Banking Code, design and distribution obligations, dishonour fees, First Nations consumers, high-fee account, low-fee account, low-income customers, overdraft fees, target market determination

### Legislation

*Corporations Act 2001*, Pt 7.8A

### ASIC documents

Regulatory Guide 274 *Product design and distribution obligations* ([RG 274](#))

