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