



Steve Fielding Family First Senator for Victoria



MEDIA RELEASE

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BANK PENALTY FEES SHOULD BE FOR COST RECOVERY ONLY

Family First welcomes the announcement today from the ANZ bank that it will cut penalty fees for low income earners who overdraw on their credit cards. But those cuts need to be made for all customers and for all accounts.

"Banks penalty fees should be to cover costs, not to make profits", Family First leader Steve Fielding said today.

"Family First has introduced a bill in Parliament to ensure that bank penalty fees are for cost recovery only.

"The ANZ bank says it will cut the penalty for exceeding credit card limits from \$35 to \$10 for low income customers. That is just returning fees to a similar level to five years ago. Over the last five years average fees for exceeding credit card limits across the industry have skyrocketed by 500 per cent from \$6 to \$30.

"Banks are responding to pressure from Family First, consumer groups and customers, but they need to do more.

"Families are being ripped-off by profit-grabbing banks which charge penalty fees way above their costs," Senator Fielding said.

"A Consumer Action Law Centre report found some banks seize up to 16 times the cost of processing dishonoured cheques and 92 times the cost of processing dishonoured direct debit transactions."

The Senate Economics Committee is holding an inquiry into Family First's *Australian Securities and Investment Commission (Fair Bank & Credit Card Fees) Amendment Bill 2007*. Submissions to the inquiry are due by Friday, 31 August.

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