



## **PEOPLE POWER: NAB DITCHES PENALTY FEES**

### **CHOICE and Consumer Action celebrate consumer victory**

Consumer advocates CHOICE and the Consumer Action Law Centre congratulate the National Australia Bank (NAB) for showing leadership and scrapping unfair penalty fees for customers who overdraw or incur dishonours on their transaction accounts.

CHOICE says the other banks must now follow suit and abolish their unfair penalty fees – not just on transaction and savings accounts, as the NAB announced today – but also on credit cards.

CHOICE and Consumer Action, who are running a joint 'Fair Fees' campaign, say the NAB's move is a significant nail in the coffin for these type of charges, which can be up to \$50 for bank customers who overdraw their account, often through electronic direct debit payments.

"The NAB has abolished these unfair fees because they know how unhappy it makes their customers. This is a victory for consumers who have made their voices heard," said CHOICE Campaign & Policy Director Gordon Renouf.

"The banks raked in almost a billion dollars from households last year through penalty fees. While we're pleased at NAB's announcement, we still need the other banks to scrap these unfair fees."

Consumer Action says that ANZ is now the only major bank charging these fees on its concession accounts to the most disadvantaged consumers, while NAB won't charge them to anyone.

"It's clearly time for ANZ to stop its fee gouge of its most vulnerable customers," said Consumer Action Policy & Campaigns Director Nicole Rich.

Since CHOICE and Consumer Action launched their 'Fair Fees' campaign two years ago tens of thousands of bank customers have downloaded a complaint letter to challenge their banks to refund unfair penalty fees.

In 2008, in response to the Fair Fees campaign, most banks reduced their level of fees.

Mr Renouf said, "The fees far outweigh the costs incurred by the banks when customers go over their limit or pay late. The only fair solution is to scrap these penalty fees altogether – on credit cards as well as transaction accounts."

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