

choice

MEDIA RELEASE



www.choice.com.au

NATIONWIDE CAMPAIGN TARGETS UNFAIR BANK PENALTY FEES

Financial institutions are bracing themselves for a customer backlash against unfair penalty fees, after a nationwide campaign was launched today by CHOICE and Consumer Action Law Centre.

Thousands of irate customers are expected to join the campaign demanding the immediate refund of penalty fees.

Penalty fees are charged when consumers don't have enough money to cover a direct debit or cheque payment, go over their credit card limit or make a late payment. Penalty fees can be up to \$50 each.

CHOICE and Consumer Action believe these fees are probably unlawful because they are out of all proportion with the costs incurred. They are certainly unfair and hurt families struggling to make repayments on mortgages and credit card

The 'Fair Go On Fees' campaign will help consumers:

1. Make a claim to their financial institution to have a penalty fee reversed.
2. Contact Federal Treasurer Peter Costello to demand action on fees.
3. Tell their story and encourage others to join the campaign.

"At CHOICE we get dozens of consumer complaints about penalty fees," said Gordon Renouf, CHOICE Manager of Policy and Campaigns. "In one example a woman lost a third of her weekly pension after her bank charged unfair dishonour fees."

"Banks and credit unions are increasingly reliant on customer error or disadvantage to generate profits. We want to empower consumers to challenge these unfair fees," said Ms Nicole Rich, Director Policy & Campaigns with Consumer Action.

Banks and credit unions charged households more than \$4 billion in fees last year, including hundreds of millions in penalty fees.

Consumers can join the CHOICE and Consumer Action campaign by going to the website www.fairfees.com.au

For an interview or further information please contact Gordon Renouf on 0409 101 898 or Nicole Rich on 0417 348 571