








Mozo Banking Roundup

April 2018

A summary of the key changes to pricing & offers in the past month, and the current price leaders, in Australian consumer banking.

April 2018 published 01/05/2018

-  Both variable and fixed **Home Loan** rates are trending down as providers continue to chase owner occupier borrowers. Investor rates have also been easing, even before last week's announcement by APRA that the investor loan growth limit would be lifted for those lenders that meet its prudential requirements.
-  American Express now has a **Credit Card** with a rate that's below 10% and lower than is available from any 'big 4' bank, and a big 4 bank unveiled its new American Express companion card range.
-  While there were few **Personal Loan** changes this month two lenders dropped their rates for car loans below the 6.00% mark, making a total of 16 lenders in the Mozo database below that level.
-  **At Call Deposit** rates continue to slide with only one increase to report this month, along with a handful of rate reductions.
-  April was the second month in a row where the number of **Term Deposit** rate increases outnumbered decreases, although top rates haven't improved since last month. There was also the launch of an innovative new option for depositors where the interest is paid up front rather than waiting until the end of the term.



While the last couple of months saw both variable and fixed rates climbing, that trend has been reversed in April. Overall change volumes were quite low, however competition for owner occupier loans remains strong with some reduced rates and new cashback offers. Although APRA only announced the lifting of the 10% growth limit for investor loans last week we saw quite a few lenders starting to reduce rate premiums applied to investor loans, including for IO loans in some cases.

Key Changes - Variable Rates

Aussie cut 10 to 20 basis points off a wide range of its non-packaged home loan rates for borrowers making principal & interest repayments, the lowest available rate is now 3.69%.

Bankwest added a \$1,500 cashback offer on its packaged, owner occupier, principal & interest loans with amount greater than \$200,000.

Heritage Bank made reductions to a wide range of packaged investor lending products. Investor principal & interest rates fell 25 basis points (headline now 4.34%). Interest Only package rates were cut 30 basis points.

ING made sizeable reductions to variable rates during April. Owner occupier, principal & interest loans were cut 19bp for loans with LVRs between 80% and 90% and cut up to 77bp for loans with LVRs between 90% and 95%. Rates for investor interest only loans were reduced by 10bp for loans over \$150,000.

loans.com.au ended a limited time offer on its Essentials Home Loan, the effective headline rate has increased 12 basis points back up to 3.72%

Qudos Bank added a new packaged option to its Low Cost Home Loan product, giving owner occupiers access to a 3.68% rate, waived credit card annual fee, offset account and insurance discounts.

RACQ Bank cut its headline Mortgage Saver Special rate from 3.74% to 3.62%, this puts the product within the top 20 rates on the market.

State Custodians hiked variable rates for all borrower types by 10 basis points.

Online lender **Tic:Toc** reduced its headline investor rate from 3.99% to 3.79%, now the third best investor rate on the market.

NAB subsidiary **UBank** also added a cashback offer in April. \$1,000 is now available for new refinance customers switching to its UHomeLoan product, until 6 May.

Key Changes - Fixed Rates

Bank First increased 2 and 3 year fixed rates by 5 basis points for owner occupier principal & interest borrowers. Rates for both standard and packaged loans are now 3.99% and 4.09%, respectively.

Easy Street launched a new 3 Year Fixed Home Loan Special. It comes with an owner occupier, principal & interest rate of 3.69%, now the lowest 3 year rate in the Mozo database with a 5bp lead over its competitors.

Greater cut fixed package rates for investors 10 to 40 basis points, the greatest adjustments were found in 5 year interest only rates. A packaged 3 year investor principal and interest rate now sits at 4.14%.

ING cut owner occupier rates on both both packaged and standard loans between 5 and 21 basis points. The 5 year rate received the best discount, now available as part of the Orange Advantage Package at 3.98%.

RACQ Bank reduced most principal and interest fixed rates by 5 to 15 basis points. A packaged 3 year owner occupier rate now sits at a sharp 3.79%.

Suncorp also applied changes to 2 and 3 year fixed rates. For all borrowers making principal and interest repayments cuts of 10 to 30 basis points were noted. Conversely, there were 10 to 20 basis points increases for interest only borrowers.

Market Snapshot

Major banks	Basic Variable, Owner Occupier	
ANZ	Simplicity PLUS	3.99%
Commbank	Extra Home Loan	3.89% for 24 months (variable) then 4.35%
NAB	Base Variable Rate Home Loan	3.69%
Westpac	Flexi First Option Home Loan	3.59% for 24 months (variable) then 4.59%

Major banks	Best package variable rates, Owner Occupier	
ANZ	Over \$500,000 (<80% LVR)	4.30%
Commbank	Over \$750,000	4.52%
NAB	Over \$750,000	4.34%
Westpac	Over \$750,000	4.34%

Major banks		Best package fixed rates, Owner Occupier				
	1 year	2 years	3 years	4 years	5 years	
ANZ	4.09%	3.99%	3.99%	4.49%	4.59%	
Commbank	3.89%	3.89%	3.99%	4.19%	4.39%	
NAB	3.89%	3.88%	3.94%	4.59%	4.09%	
Westpac	4.09%	3.89%	3.99%	4.29%	4.29%	

Rate leader, best variable rate for Owners, 80% LVR		Variable Rate
BIDeloan Reduce Home Loans	SMARTeloan Rate Lovers Variable	3.39%

Rate leader, best fixed rate at each term		Fixed rate
Greater Bank	1 year	3.49%
IMB Bank	2 years	3.65%
Easy Street	3 years	3.69%
ING	4 years	3.92%
ING	5 years	3.98%

Credit Cards

The credit card market is slowly shifting and a couple of key changes this month highlight the repositioning of American Express cards. American Express now offers a card with a purchase rate of less than 10%, lower than any credit card rate available from a 'big 4' bank. Westpac reintroduced American Express cards with its Altitude range but unlike Commbank's arrangement where such cards have a lower rewards points earn rate than their non-Amex counterpart, Westpac's cards offer premium earn rates.

Key changes

American Express halved the introductory bonus points offerings on its Qantas Ultimate and Explorer credit cards (100,000 reduced to 50,000). The card issuer also dropped the purchase rate on its Low Rate card from 11.99% down to just 8.99%.

Bankwest switched up the 0% balance transfer for 24 months on its Breeze Classic and Breeze Platinum cards to 13 month 0% balance transfer *and* purchase rate offer.

Coles bumped up its 6 month 0% balance transfer offer up to 16 months on the Coles Rewards Mastercard.

Jetstar added introductory \$150 and \$200 flight vouchers for the Mastercard (\$1,000 spend in 60 days required) and Platinum Mastercard (\$2,000 spend required) products.

Qantas Money amended the promotional offers on its Premier Everyday credit card during April. There's a new \$0 annual fee for the first year, the balance transfer rate was 0% for 15 months, now 4.90% for 24 months, a new \$50 epiQure voucher on \$100 spend and a doubling of bonus points to 40,000 (as long as you make \$4,000 worth of spending in the first two months).

The **St. George / Bank of Melbourne / BankSA** group made a variety of changes to its card suite. Vertigo Classic card purchase rate is up 50 basis points (now 13.74%), the

first year fee waiver is gone, but cash advance rates are down 100 basis points. The Vertigo Platinum card also received the 1% cut to its cash advance rate. Amplify Classic cards gained a first year \$79 fee waiver, and a 3% balance transfer rate for 36 months, previously 0% for 18 months. Amplify Platinum introductory bonus points were cut (60,000 down to 50,000) and the first 3 month spend required to receive the 90,000 points on offer for the Amplify Signature cards was reduced to \$4,000.

Westpac reduced the ongoing annual fee for Altitude Black from \$395 to \$250 per year (\$300 for Qantas Frequent Flyer). Optional American Express companion cards were introduced for the Altitude range, issued and serviced by American Express. An additional annual card fee of \$49 applies for the Altitude Platinum and \$199 for the Altitude Black. The American Express cards come with higher points earn rates as well as a further 15,000 bonus points for the Altitude Platinum or 40,000 for the Altitude Black when a minimum of \$3,000 is spent on the card within the first 90 days.

Market Snapshot

Majors	Summary of card offers
ANZ	<ul style="list-style-type: none"> ➤ 0% for 18 months BT (+2% fee) on First & Platinum. ➤ 0% for 15 months BT on Low Rate and Low Rate Platinum. ➤ \$0 first year annual fee on Frequent Flyer and Rewards range. ➤ 25,000 to 75,000 bonus points on Frequent Flyer and Rewards.
Commbank	<ul style="list-style-type: none"> ➤ 5.99% for 5 months BT on all cards. ➤ \$0 first year annual fee on Low Fee, Low Fee Gold cards.
NAB	<ul style="list-style-type: none"> ➤ 0% for 18 months BT on Low Fee, 0% for 24 months on Low Fee Platinum (+2% fee on both), 0% for 6 months on all other cards. ➤ 0% for 6 months intro purchase rate on Low Rate, 9 months on Low Rate Platinum. ➤ Between 30,000 and 100,000 bonus points on Qantas and rewards cards.
Westpac	<ul style="list-style-type: none"> ➤ 0% for 20 months BT (+2% fee) on 55 Day and 55 Day Platinum, 0% for 24 months BT (+2% fee) on Low Rate. ➤ \$0 fee on 55 Day in yr 1 or if spend \$5,000 (\$10,000 for Platinum). ➤ 60,000 bonus points on Altitude Platinum, 80,000 on Altitude Black. ➤ 75,000 bonus points on Altitude Platinum with American Express, 120,000 on Altitude Black with American Express.

Top offers			
0% BT	Citi	Platinum	26 months (2.5% BT fee)
0% purchase	Virgin Money	Velocity Flyer	14 months
Lowest purchase	American Express Community First Easy Street	Low Rate McGrath Pink Visa Easy Low Rate	8.99%
Bonus points	Citi Citi Westpac Citi NAB	Prestige Signature Altitude Black with American Express Platinum Rewards Signature	150,000 Citi 120,000 Citi 120,000 Altitude/Qantas 100,000 Citi 100,000 NAB/Qantas

Personal Loans

Very few changes to personal loan rates again this month, but it's become apparent that lenders wanting to get attention with low car loan rates are slipping in at under 6.00%. There are now 16 lenders in the Mozo database with who've limbo'd under that bar.

Key Changes

ANZ cut 10 basis points (now 7.30%) off its Online Secured Car Loan product. Despite the bank's announcement in March that it had suspended its car financing operations this option remains available.

Queenslanders Credit Union cut 50 basis points off its Car Loan special, now sitting at a competitive 5.99%.

Peer-to-Peer lender **RateSetter** decreased its Unsecured rate for borrowers with an 'excellent' credit history to 8.42%, a 21 basis point reduction.

Unity Bank also joined the 6% or under club, slashing its fixed Car Loan rate to match its variable equivalent, 7.99% down to 5.99%.

Market Snapshot

Major banks	Secured	Unsecured
ANZ	7.30%	10.99%
Commbank	8.49%	13.70%
NAB	n/a	11.99%
Westpac	8.49%	12.99%

Rate leaders			
loans.com.au	Clean Green Car Loan	4.74%	Secured
G&C Mutual Bank	Fair Rate Personal Loan	5.99%	Unsecured

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At-Call Deposits

No major bank changes for rates on At Call Deposit accounts to report this month, and very few changes overall. Of the changes we did see only one was a rate increase, continuing the long-running trend of falling rates for at call accounts.

Key Changes

Coastline Credit Union improved the headline ongoing bonus rate on its Bonus Reward Saver from 2.40% to 2.75% when customers deposit at least \$20 and make no withdrawals in the month. Additionally, the mutual removed the introductory 3.05% three month rate from its eXtreme Saver account.

Endeavour Mutual Bank removed its Kick Start Saver from market, a children's account which had a 5.00% interest rate for balances below \$5,000. That's been replaced with a Young Saver account which pays 3.50% for balances below \$5,000, 2.00% under \$10,000 and 0% thereafter.

Maitland Mutual trimmed 15 basis points from its general savings rate, now at 1.10%.

MyState and **The Rock** cut their greater than \$50,000 tier rate from its Special eSaver Account 10 basis points, now 2.30%.

Queenslanders Credit Union dropped the rate on its Online Saver Account by 60bp to 1.70%.

Suncorp applied a 5 basis point reduction (now 1.50%) to its Everyday Option Sub-Account (savings product that sits within a general transaction account).

Market Snapshot

Major banks	Ongoing bonus rate		Introductory rate	
ANZ	1.71%	Progress Saver	2.55% for 3 months	Online Saver
Commbank	1.65%	GoalSaver	2.51% for 3 months	NetBank Saver
NAB	2.50%	Reward Saver	1.90% for 4 months	iSaver
Westpac	2.30%	Life	2.51% for 5 months	eSaver

Rate leaders				
RAMS	3.00%	Saver		Ongoing bonus
RaboDirect	3.05% for 4 months	High Interest Savings		Introductory

Term Deposits

Unlike at call accounts, the trend may be turning for term deposits with April being the second month in a row where rate increases outnumbered cuts. Despite recording a large number of increases however, top rates are unchanged from last month, so any meaningful improvement for depositors is likely to be slow.

Term deposits being a fairly basic product we don't often see innovations, but in what may be a market first, a Victorian based mutual bank has introduced a new product that pays interest to depositors at the start of the term instead of the end.

Key Changes

AMP bumped the rates on key terms by 5 to 40 basis points. It's 5 year term received the biggest improvement, now matching the best term deposit rate around at 3.20%.

ANZ reduced the value of all terms on its standard term deposits, cutting 10 basis points. One its advance notice product, the 4 month rate received a 10 basis point raise, now 2.40%.

Bank First added an innovative new product at the end of the month, a term deposit that pays out the entire interest amount at the beginning of the term. For now, only a 5 month rate at 2.45% is being offered.

Bank of Sydney added a 3, 6 and 12 month term deposit specials, the best value being the 6 month 2.70% rate. It's 3 month rate still leads the market at 2.65%

CUA increased key terms 10 to 20 basis points, the standout being the 5 month 2.60% rate, the best at that term.

Heritage improved both its 6 month (2.55%, up 5bp) and 12 month (2.70%, up 15bp) rates.

ME Bank improved its 6 month (2.75%, up 10bp) and 9 month (2.85 up 15bp) rates, some of the best rates for their terms.

MyState and **The Rock** boosted the 3 and 8 month terms on its term deposit products by more than 1%. Now 2.50% and 2.73% respectively.

Newcastle Permanent added 50 basis points to its 9 month rate, now at 2.50%.

Suncorp cut 5 basis points from its 3 month rate, but added 5 to 15 basis points on 4, 5 and 6 month terms.

UBank increased the value of its 6 month rate to 2.80%, now taking the lead at the half-yearly period.

Market Snapshot

Major banks	Up to 1 year	1 year	2 years
ANZ	2.40% for 4 months	2.30%	2.60%
Commbank	2.45% for 9 months	2.20%	2.60%
NAB	2.30% for 5 months	2.40%	2.60%
Westpac	2.50% for 7 months	2.30%	2.40%

Rate leaders		
Less than 1 year	ME	2.85% (7 and 9 months)
1 year	ME	2.80%
2 years	ING Police Bank	2.90%
3 years	Big Sky Greater Bank Heritage Bank Maitland Mutual ME PCCU QBANK Qudos Bank	3.00%
4 years	Greater Bank	3.10%
5 years	AMP Greater Bank	3.20%

** rate tables based on a deposit of \$25,000*



Mozo Banking Roundup

The content of this report is produced using Mozo's extensive database of banking products, which is updated every day.

If you'd like access to more detailed information, please contact us at data.services@mozo.com.au

Important Information

Product details in the Market Snapshot are as at end of the month and product changes referred to are changes since the start of the month.

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