Bank Fees Class Action Westpac, BNZ and ASB Proceedings Launch

11 February 2014

What are the fees?

❑ The fees are Exception/Event based Fees such as:

- Honour/Account Out Of Order Fees
- Dishonour Fees
- Credit card Late Payment Fees
- Credit card Over Limit Fees

❑ The case does not relate to Monthly Account Fees or Annual Fees

How much does Westpac Charge?

	Mid-2008	Now
Honour Fee (per event)	$25.00	N/A
Unarranged Overdraft Fee	N/A	$15.00
Dishonour Fee (per event)	$30.00	$19.00
Credit Card Over Limit (per month)	$25.00	$15.00
Credit Card Late Payment (per month)	$25.00	$15.00

We say that, on average, these events probably cost the bank no more than a dollar.

How much does BNZ Charge?

	Mid-2008	Now
Honour Fee (per event)	$20.00	N/A
Unarranged Overdraft Fee	N/A	$10.00
Dishonour Fee (per event)	$35.00	N/A
Credit Card Over Limit (per month)	$20.00	$20.00
Credit Card Late Payment (per month)	$25.00	$15.00

How much does ASB Charge?

	Mid-2008	Now
Honour Fee (per event)	$25.00	$20.00
Unarranged Overdraft Fee	$25.00	$20.00
Dishonour Fee (per event)	$25.00	$20.00
Credit Card Over Limit (per month)	$20.00	$20.00
Credit Card Late Payment (per month)	$25.00	$15.00

Westpac Example – September 2009

TYPE	NAME OF OTHER PARTY	TRANSACTION PARTICULARS	DATE	MONEY OUT $	MONEY IN $	BALANCE $
			12 Jul		100.00	5.24
DE	■■■■■■■	WBC Internet Transfer 10:14-97188	23 Jul	5.00		0.24
	Loan Payment Failed	Insufficient Funds $533.00	25 Jul	0.00		0.24
	Payment failed fee	1 GP @$25.00/item	25 Jul	25.00		24.76 OD
	Interest	From 0481 0004503-02	31 Jul	0.75		25.51 OD
	Unarranged Overdraft	From 0481 0004503-02	31 Jul	15.00		40.51 OD
	Account maintenance	From 0481 0004503-02	05 Aug	3.50		44.01 OD
	Transaction charge	2 Transactions 0004503-02	05 Aug	3.00		47.01 OD
					CLOSING BALANCE	$47.01 OD

- Payment failed due to insufficient funds
- $25 Payment Failed Fee charged, pushes account in to overdraft
- 6 days later, 75 cents interest charged on $24.76 overdraft caused by fees
- $15 Unarranged Overdraft fee charged on top of the original fee

BNZ Example – September 2008

Date	Description			Amount		Balance
26 Sep	HONOUR FEE 25/09/08 900.00			20.00		
26 Sep	DISHONOUR FEE BANK CHARGES			35.00		
26 Sep	DISHONOUR FEE BANK CHARGES			35.00		3,418.57 OD
30 Sep	HONOUR FEE 29/09/08 DD 22.40			20.00		3,460.97 OD
30 Sep	MONTHLY BANK FEE			5.00		
30 Sep	DEBIT INTEREST			31.50		
30 Sep	O/D FACILITY FEE			5.00		3,502.47 OD
2 Oct	DISHONOUR FEE BANK CHARGES			35.00		
2 Oct	DISHONOUR FEE BANK CHARGES			35.00		2,325.47 OD
3 Oct	LUMLEY FINANCE (N.Z. LUMLEY FIN. 00358850	DD		306.06		2,631.53 OD

- $180 of Honour and Dishonour fees charged in one week.
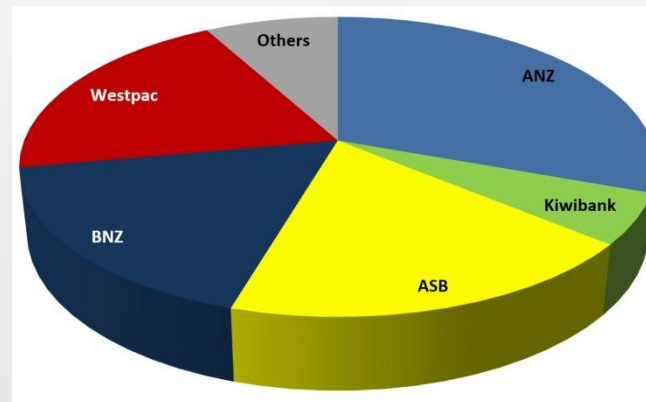- Customer received no benefit from the Dishonour charges; no overdraft payments were made.

ASB Example – July 2012

26 Jul 2012	██████████	$0.29	$6.89
27 Jul 2012	██████████	$25.00	OD $18.11
30 Jul 2012	████████ NOT PAID/A/P NSF FEE	$20.00	OD $38.11
30 Jul 2012	████████ NOT PAID/A/P NSF FEE	$20.00	OD $58.11
30 Jul 2012	████ NOT PAID/A/P NSF FEE	$20.00	OD $78.11
30 Jul 2012	████████ NOT PAID/A/P NSF FEE	$20.00	OD $98.11
30 Jul 2012	████████ NOT PAID/A/P NSF FEE	$20.00	OD $118.11

- $100 of fees charged in one day alone!
- Fees were because of failed automatic payments
- Account taken from OD $18.11 to OD $118.11 in one day
- Customer received no benefit from these dishonour charges

Why Westpac, BNZ and ASB?

- Cases have already been launched against ANZ/National Bank and Kiwibank.

- Other Kiwi customers now have their chance as all 5 major banks are caught by these legal actions.

- These banks cover 92% of the retail banking market in New Zealand.

•Source: KPMG Financial Institutions Performance Survey
2012 – Share of total customer deposits

What's next?

- Westpac, BNZ and ASB customers have until 27 February to register at www.fairplayonfees.co.nz

- Only those who have signed up will be eligible to participate in the claim

- The papers issuing the cases will be filed on 28 February

What about the other cases?

- ANZ case had first hearing on 14 October 2013
  - ► Case approved as representative proceeding (class action)
  - ► Litigation Lending Services (NZ) approved as funder and funding agreement approved
  - ► As of December 13 2013, registrations have closed for the ANZ case.

- Kiwibank case lodged documents on 22 November 2013
  - ► Kiwibank customers can still sign up at www.fairplayonfees.co.nz

- Similar case in Australia against ANZ
  - ► Judgement found that millions of dollars of credit card late payment fees were unlawful.