20 December 2019

The Honourable Michael Sukkar MP

Assistant Treasurer and Minister for Housing

The Treasury

Langton Crescent

PARKES ACT 2600

Via email: [prebudgetsubs@treasury.gov.au](mailto:prebudgetsubs@treasury.gov.au)

Dear Minister

**The Government’s 2020-21 Pre-Budget Submission Process**

COBA welcomes the opportunity to make a submission to the Government’s 2020-21 Pre-Budget process.

Credit unions, mutual banks and building societies together lend more than $90 billion for housing, of which around 80 per cent is to owner-occupiers. Collectively, the mutual sector is the fifth largest housing lender.

Our point of difference is our model – our customers are also the owners of our institutions. Our focus on the customer over external owners removes the temptation to put ‘profit before people’, something that is inherent in the investor-owned model. The Financial Services Royal Commission included a lengthy discussion on these issues. Given that our sector is funded primarily by household deposits, at its simplest, customer owned banks look after Australians’ savings and lend them to other Australians to reach their dreams of homeownership.

Our objective in making this submission is to empower consumers to drive a more competitive home mortgage market. Our motive is to support our sector’s capacity to win new customers and promote the customer owned model. Our focus is on the home loan market because buying a home is the most significant financial commitment people make and the price of a home loan is huge factor in the cost of living for many Australians.

COBA’s proposal is for the Government to **establish and fund a Consumer Mortgage Taskforce** to tackle consumer inertia in the home loan market by recommending and piloting specific measures to empower consumers to get better deals.

Injecting a new demand-side dynamic into the home loan market will magnify the effect of related developments, such as the:

* ACCC’s identification of barriers to mortgage switching
* commencement of Open Banking
* introduction of an online mortgage pricing comparison tool
* licensing of neo-banks, and
* evolution of the fintech ecosystem.

It is widely accepted that a significant proportion of home loan borrowers are paying a higher price than necessary on their mortgages This unnecessarily increases the cost of living pressures on Australians. The proposed Taskforce would look at the behaviours, perceptions and other factors that create friction in the consumer journey to get a better deal. The Taskforce would be able to draw on an extensive body of existing Australian and international evidence to design measures to address these factors. These measures could be temporary or permanent and could be trialled as pilot programs (as ‘actionable research’) to test their effectiveness. These pilots should be ready to go within 12 months to create momentum. Measures do not need to be permanent to have a permanent impact on the market. The critical issue is to act promptly to optimise the opportunity presented by the constellation of related developments listed above.

COBA strongly prefers measures to empower consumers compared to imposing additional regulatory requirements on lenders. Increasing the regulatory compliance burden on lenders may not address consumer inertia but will increase costs and reduce the competitive capacity of smaller players. This is counterproductive to the Government’s pro-competitive reforms. Banking institutions and other lenders are currently digesting a large volume of new regulation and additional regulation is becoming increasingly counterproductive (i.e. detracting from strategic priorities).

The Taskforce would be **funded from the Major Bank Levy** to avoid a new call on the Government’s budget resources. COBA believes this is fair given that the major banks are likely to have been significant beneficiaries of consumer inertia. The ACCC has looked closely at the major banks’ home loan pricing strategies and was “surprised” at the extent to which the major banks build into their business models assumptions about consumer inertia.[[1]](#footnote-1)

Consumer inertia is the tendency of some customers to stick with a product, even when there are superior options available to that consumer. Ultimately, consumers should be making an informed decision about who they bank with and not relying on the ‘default’ option of one of the four major banks, particularly the one they banked with as a child. There is truth to the saying that you are ‘more likely to get divorced than break up with your bank’. Consumer inertia is costing individual borrowers hundreds or even thousands of dollars in additional interest per year that could be much better spent on coping with the rising cost of living.

The Productivity Commission found in 2018 that the major banks’ market power is reinforced by consumer inertia.

“Little switching occurs — one in two people still bank with their first-ever bank, only one in three have considered switching banks in the past two years, with switching least likely among those who have a home loan with a major bank. Low levels of consumer switching and a general disengagement of consumers from financial services are a clear sign that current information provision (by regulators, advisers and brokers) is failing.”[[2]](#footnote-2)

APRA Chair Wayne Byres has also reflected on this issue, noting recently that any discussion about competition in the Australian banking system inevitably focuses on the market dominance of the major banks.

“Their sheer scale and brand recognition, coupled with significant customer inertia, is difficult for smaller banks to overcome. This is despite the fact that, in many cases, their product offerings are superior in pricing to the big four."[[3]](#footnote-3)

We recognise and applaud action by the Government to promote competition in the banking space. These measures have increased smaller lenders’ ability to compete with the major banks.

However, this ambitious agenda may not deliver on its objectives if there is not a corresponding demand-side consumer response. Increased choice in products and offerings means little if consumers are disengaged and there is not enough competitive pressure (e.g. the threat of switching) on lenders. Active and engaged consumers will help bring the benefits of competition to all Australians. It will ensure that industry and Government investments in potentially game-changing reforms such as Open Banking do not go to waste.

Competition and active consumers also play an important part in addressing misconduct. While the Royal Commission has shone a light on misconduct, ultimately the willingness of consumers to vote with their feet will do much more to prevent misconduct than attempts by APRA or ASIC to regulate culture. Competition, driven by informed and empowered consumers, is the enduring solution to poor conduct.

Now is the right time for a focused taskforce to assess the problem of consumer inertia and recommend a range of measures to ensure that when banks offer a good deal, consumers are willing and able to get this better deal. This will ensure that the benefits of competition are brought to as many Australians as possible. The more that consumer engagement increases, the more that banks will be motivated to keep prices down and develop better products for *all* their customers – not just new customers.

Attachment 1 to this submission addresses the Taskforce itself, Attachment 2 addresses consumer inertia, Attachment 3 outlines related policy developments and Attachment 4 provides some illustrative example of potential measures.

Thank you for the opportunity to provide a submission. Please contact Luke Lawler, Director – Policy, on 02 8035 8448 or Mark Nguyen, Senior Policy Manager, on 02 8035 8443 if you have any questions.

Your sincerely



**MICHAEL LAWRENCE**

**Chief Executive Officer**

Recommendation 1

The Government should convene a two-year taskforce to address consumer inertia in residential mortgage markets. This should include Government bodies (Treasury & PM&C), regulators (ASIC & ACCC) and industry stakeholders (consumer & industry associations).

Recommendation 2

The Government should fund the participation of the regulators in this Taskforce, and any resultant measures, from the Major Bank Levy.

# Attachment 1: Consumer Mortgage Taskforce

## Purpose

Take action to ensure that consumers are empowered to get a better deal on their mortgage.

## 

## Funding

This Taskforce is likely to need funding to prioritise participation by regulators and policymakers, to obtain external expertise, to conduct research about potential measures and to design potential measures. This funding should come from the Major Bank Levy.

## Participants

## Key points of Terms of Reference

* Conceptualise and design measures to overcome customer inertia in the residential mortgage market
* Seek behavioural change by consumers, not new regulation of lenders
* Target consumers by segment and recognise there is no ‘one size fits all’ solution
* Integrate potential measures with related developments such as Open Banking and the online mortgage price comparison tool
* Take action to bring pilot measures to market within 12 months
* Limit project to two year: 1 July 2020 to 30 June 2022

# Attachment 2: Consumer Inertia

Consumer inertia in Australia

Consumer inertia is the tendency of some customers to stick with a product, even when there are superior options available to that consumer.[[4]](#footnote-4)

In the Australian mortgage market, there is evidence that not all Australian consumers are getting the best deal possible and that there are superior mortgage options for these consumers, including with the customer owned banking institutions.

Ultimately, consumers should be making an informed decision about who they bank with and should not rely on the ‘default’ option of one of the four major banks (or even their first bank) or being ‘trapped’ due to their behavioural biases.

This ‘inertia’ is costing Australian consumers additional interest that could be much better spent on other things such as coping with the rising cost of living or a family holiday.

The ACCC Residential Mortgage Products Price Inquiry[[5]](#footnote-5) highlights these ‘consumer inertia’ issues (i.e. the ‘loyalty tax’):

“There are many existing borrowers who remain with a lender that does not offer them the best deal and earns higher profits as a result of the loyalty of those borrowers. Lenders do not need to compete vigorously on price to retain the business of such borrowers; offering lower prices to them is simply giving up margin.”

The ACCC estimates the potential cost to an individual household suggesting this additional interest could cost a household with an average-sized residential mortgage up to $850 a year. This amount is roughly equivalent to 2 to 3 weeks’ worth of groceries for Australian families.[[6]](#footnote-6)

“Existing borrowers who do not actively shop around for a better deal on a regular basis are the main losers from opaque discretionary pricing. They have paid interest rates at the Inquiry Banks that, depending on the category of residential mortgage, were up to 32 basis points higher on average than those paid by new borrowers, as at 30 June 2018. An existing borrower with an average-sized residential mortgage who negotiated to pay the same interest rate as the average new borrower from 30 June 2018 could initially save up to $850 a year in interest (depending on the category of residential mortgage).” [[7]](#footnote-7)

The RBA confirms this loyalty tax noting that “on average, new borrowers receive a further discount of around 30 basis points on owner-occupier variable-rate mortgages.”[[8]](#footnote-8)

Uno Home Loan’s Household Financial Waste Report estimates that across Australia this aggregate amount could be up to $4.2 billion a year.[[9]](#footnote-9) Marketplace lender Lendi notes that this could be as much as $6 billion per year. Lendi notes that: “While the figure moves around, a 79 basis point loyalty tax could mean as much as $6 billion to the big four banks, which last year made a combined profit of $27 billion.” [[10]](#footnote-10) At an individual level, Lendi estimates that these could for those with larger mortgages could be quite significant: “On Lendi’s data, a borrower with a $760,000 mortgage is being slugged with an additional $328 a month in repayments, or close to $4,000 a year.”[[11]](#footnote-11)

It is clear that whatever estimates are used that there is considerable potential for consumers to save money if they are more active.

More broadly, consumer inertia may create an unfair competitive advantage for those lenders with a large number of ‘inert’ consumers. ASIC outlines how this could occur: “In some markets, new customers may be subsidised by higher prices paid by existing or ongoing customers” [[12]](#footnote-12). It is not clear how much this occurs in the mortgage market, but it is something that is likely to become clearer once the current ACCC inquiry delivers its findings. In its Electricity Pricing Inquiry, the ACCC found that: “It appears that large retailers have the financial means to offer such aggressive retention offers by cross-subsidising these offers from the higher profits they are earning from their significant number of sticky high value customers.”[[13]](#footnote-13) This would not be an ideal outcome for competition and consumers.

Dealing with consumer inertia – suggestions to ‘shop around’

The recent RBA rate cuts have sparked debate about whether existing customers are paying too much for their mortgages compared to newer customers. Responding to these ‘loyalty tax’ concerns, policy makers, regulators and politicians continue to tell customers that they should ‘ask their lender’ and ‘shop around’. COBA agrees that ‘shopping around’ is the correct course of action, and is certainly preferable to heavy-handed price regulation.

The ACCC Residential Mortgage Products Price Inquiry[[14]](#footnote-14) summarises the options for consumers to get a better deal:

“Many residential mortgage borrowers might achieve significant savings by regularly reviewing the interest rates they are paying, asking their lender for a better rate, switching to a cheaper product as the same lender or switching residential mortgage providers to take up the best available offers.”

There is no shortage of this type of advice **(COBA emphasis)**.

“I encourage more people to **ask their lender** whether they are getting the lowest possible interest rates for their residential mortgage and, as they do so, **be ready to threaten to switch to another lender**” - ACCC Chair Rod Sims, 11 December 2018 ([ACCC Media Release](https://www.accc.gov.au/media-release/lack-of-transparency-stifles-mortgage-price-competition))

“With the market for home loans so competitive, Australian **bank customers should contact their bank and shop around**.” - ABA Spokesperson, 7 October 2019 ([AFR Article](https://www.afr.com/companies/financial-services/banks-face-heat-on-home-loan-gaps-20191006-p52y2j))

“Well, we continue to put pressure on the banks and ultimately it's the customers who can vote with their feet. And I would encourage your viewers to go to their banks, **seek the best possible deal and if not, take their business elsewhere**.” - Treasurer Josh Frydenberg, 3 October 2019 ([ABC 730 Report](http://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/transcripts/interview-leigh-sales-730-abc))

“If, as a community, we feel uncomfortable that the financial sector has products and services that **profit from apathy and inertia** – which it certainly does – then the best response by customers is to be engaged and active. **Shop around, exercise choice** – or dare I say it, don’t just get mad, get even. There’s no better way to align community and commercial interests than to make the community’s voice evident **through action**.” - APRA Chair Wayne Byres, 8 August 2019 ([BFO Conference](https://www.apra.gov.au/news-and-publications/apra-chair-wayne-byres-speech-to-2019-banking-and-finance-oath-conference)))

The impact of this frequently-provided advice to shop around is questionable. While it is the lowest-cost response to consumer inertia, it does not address why consumer do *not* shop around.

A recent paper by Deloitte[[15]](#footnote-15) reported survey findings that people are not actively gathering information on alternative banking products.

“For two-thirds of the banking product relationships, people had not undertaken any activity to gather information about other banking products or offerings in the last three years. The majority of Australians are satisfied with their current banking products and providers, or at least not dissatisfied enough to gather information about other banking products or offerings (let alone to make a decision to change banks). In a separate survey we found that around four in five (79%) of transaction account holders are either ‘satisfied’ or ‘very satisfied’ with their existing provider. Similarly, three quarters of credit card holders and two thirds of mortgage owners reported being ‘satisfied’. Conversely, only 5% to 9% of account holders said that they were dissatisfied with their account.

“So we end up going in a circle. Because customers perceive that they are satisfied with their current banking product or provider, they do not gather information about other banking products or offerings. And because they have not gathered information, they are not aware of the benefits of these alternative financial services products from other providers, and so lack the information to re-assess their level of satisfaction with their current provider.”

“To be actively engaged in the competitive process by gathering information, or to make informed choices about financial products, and to be able to choose to change providers, consumers need to be able to understand the differences in financial value between different products. They need to be financially literate. However overall financial literacy in Australia is low. In a recent study by Deloitte less than half of Australians met the basic threshold for financial literacy.”

## Connecting a consumer ‘shopping’ journey

COBA agrees that the ultimate solution to the ‘loyalty tax’ is engaged consumers who shop around. However, it is not clear to what extent this process has been examined by policymakers as a single journey.

The Social Market Foundation[[16]](#footnote-16) outlines a consumer decision making process in four stages – motivate, access, assess and act (see below). For a consumer to be fully engaged they need to be able to go through these stages without ‘falling out’. These stages are: being motivated to look for a better deal (want to shop around), able to access the various market offers (able to shop around), able to assess these offers for their circumstances (able to shop around and assess alternatives in a meaningful way for that consumer) and finally being able to act on this finding (. able to actually change to this new provider if there is a better deal, or alternatively able to use it to get a better deal from their existing provider).

Failing to make it to the end of all stages of this process means that a consumer becomes the victim of inertia and the ability of consumers generally to drive effective competition is harmed.

The Productivity Commission outlines a similar process, noting: “For competitive processes to work, it is essential that consumers are able to search for, identify and switch to products or providers that are suitable for them with relative ease. However, it is not necessary that consumers switch per se. This is because a credible threat of switching can induce providers to compete with each other to retain their existing customers.”[[17]](#footnote-17) ASIC outlines a similar three-step model where consumer must access information, be able to assess products and be able to take action.[[18]](#footnote-18)

The Consumer Mortgage Taskforce should focus on where and why consumers fall out of the process and identify solutions. It should be recognised that there is no ‘one size fits all’ solution. Different consumer segments may tend to “fall out” at different stages (for example, parents may struggle to find the time to even get to the ‘motivate’ stage).

The Taskforce should examine this ‘four-stage’ process, as it cannot be assumed that all consumers have the motivation to embark on the journey.

A four-stage consumer decision making framework[[19]](#footnote-19)

## Potential behavioural biases

It is well established that various behavioural biases block consumers from looking for a better deal, and if necessary, changing to a better provider. We list some examples in the box below. Action needs to be taken to address these biases.

Empowering consumers and addressing these biases is not a “one size fits all” exercise. Different consumers will need different solutions. Considerations for identifying different consumer segments could include gender, first home buyer status, young parents, those from cultural and linguistically diverse backgrounds and socio-economic status.

COBA believes more focus should now be placed on behaviour biases that are handicapping consumers and stunting competition. Now is the time to have a closer a look at them to ensure that the Government’s significant pro-competitive reform agenda (Attachment 3) generates tangible benefits for all Australians.

The Productivity Commission’s Inquiry into Competition the Financial Services sector found that recent demand-side reforms to improve consumer engagement have largely focused on lowering the cost of switching products held but these reforms have only partly addressed the problem.

While rational consumers are more likely to switch if the perceived benefits exceed the costs, consumers are less likely to shop around if they are impacted by biases which reduce their capacity to be a rational decision-maker.

Further demand-side reforms must consider the consumer journey and how to help consumers make better decisions.

The Productivity Commission noted:

“To date, policy efforts to revitalise consumer switching in financial services markets have acknowledged the existence of behavioural barriers. But, on the part of policymakers, efforts to address behavioural barriers are relatively new and, as a result, have been limited. Moreover, it can take time for initiatives to flow through to implementation. In part, this stems from the fact that it can be costly, both in terms of time and resources, to design solutions in this space. Consumer testing, monitoring and evaluation are essential to behavioural solutions, because it can be difficult to predict how consumers will respond to specific interventions.”[[20]](#footnote-20)

While developments such as Open Banking and ASIC’s mortgage comparison calculator will decrease the information deficit (i.e. a consumers’ ability to access information), there may still be a ‘behavioral deficit’ where the consumer does not undertake the ideal ‘shopping around’ behaviors despite the presence of this information. Addressing consumer behavioral biases will turbocharge the impact of reforms such as Open Banking.

This does not imply that consumers are incapable of understanding the important features of a product, or that they are apathetic. Rather, these actions are quite normal when faced with perceived large costs (in terms of effort, time and fees) or when consumers are time-constrained. Consumers will vary in the extent to which they exhibit these various biases, and the impact of these biases will also vary according to the context. Such biases do not imply stupidity or laziness.

Box 1: Potential Behavioural Bias

Here are some potential biases that could prevent consumers from searching for a better deal, asking for a better deal or switching providers:

• **Loss aversion effect**: People put a higher weight on what they’ll lose in giving up an existing product compared with the perceived value of what they gain from a new product.

• **Endowment effect**: People tend to value products they already possess more than those they don’t have.

• **Status quo bias:** People tend to stick to what they have even if a better alternative exists.

• **Time discounting/uncertainty**: Consumers may not be willing to undertake a search due to the future nature of any benefits and the likelihood that they are in the future

• **Conditioned on conflated previous experiences:** Consumers may be conflating the ‘refinancing’ process with their first home buyer experience. The FHB experience is like to be significantly different to a ‘refinancing’ process and involve moving to a new house, dealing with Government and a house search. Therefore, consumers could be turned off refinancing due to previous experience of a much broader and more difficult experience.

• **Ostrich effect:** Consumers may not want to search for a better as they do not want to know if they have bad deal (head in the sand approach)

• **Impact of emotion**: Consumers may worry about their ability to understand the new mortgage let alone compare it to their existing mortgage. Furthermore, finance is an inherently emotional and difficult area for many people.

• **Too much information/choice**: Consumers may be overwhelmed by the amount of choice. There are around 5,000 home loan products in the market. This overwhelming choice may push the consumer to inaction (analysis paralysis).

# Attachment 3: Related policy developments

Activating the benefits of a significant banking reform agenda

COBA strongly endorses the Government’s pro-competitive agenda for banking. Significant reforms in recent years to improve the competitive environment in the banking sector are outlined below.

The success of these reforms, and their ability to provide the benefits of competition to all Australian consumers, will remain limited if consumers are not able and willing to complete the process of ‘shopping around’ outlined in Attachment 2.

The Consumer Mortgage Taskforce is needed to ensure that the potential of these reforms is delivered. This taskforce would undertake a whole-of-system approach to ensure that the above policy developments are integrated with consumer empowerment measures to achieve more competition and choice for Australian consumers.

**Royal Commission – active consumers will punish misconduct**

The Final Report of the Financial Services Royal Commission found misconduct that was detrimental to the community, noting: “As we have heard, too often the conduct within our financial institutions has been in breach of existing laws and fallen well below community expectations. The price paid by our community has been immense and goes beyond just the financial.”

COBA believes that stronger competition leads to better customer outcomes. The cure to misconduct is to create a more competitive market where customers are ready and willing to move if their bank fails to meet expectations. ASIC recognises this as well noting in its 2019-2023 Corporate plan[[21]](#footnote-21) that one of the key drivers of consumer harm is: “Poor conduct in financial markets driven by lack of competition, structural challenges or conflicts of interest.”

# Attachment 4: Examples of potential measures

COBA does not endorse any particular approaches, noting our strong preference is to reduce, not increase, costs on industry. We provide these as illustrative examples.

**UK Ofgem: Cheaper Market Offers Letter Trial – creating a prompt**

The UK Office of Gas and Electricity Markets (Ofgem) carried out the Cheaper Market Offers Letter trial between June and August 2017. **[[22]](#footnote-22)** This was its first large-scale randomised controlled trial and was done with two domestic energy suppliers. Around 150,000 customers participated in this trial.

The CMOL was done using a prompt via a single letter detailing three cheaper tariffs that the customer could switch to. These tariffs were based on customers’ historic consumption and were personalised in line with how customers already pay and manage their energy account.

The Ofgem randomly assigned customers to one of three trial groups, and received either: a supplier-branded letter, am Ofgem-brand letter or received no letter (control group). The primary outcome measure was the switching rate (switching tariff or supplier) in the 30 days after the letters were sent.

The letter receiving groups had a likelihood of requesting a switch within 30 days of 2.4 per cent (Ofgem-branded) and 3.4 per cent (Supplier-branded) respectively. This compares to the control group switching rate of 1 per cent.

**UK Ofgem: Active Choice Collective Switch Trial – creating a prompt & helping to compare**

The Ofgem also carried out the Active Choice Collective Switch Trial from February to April 2018. **[[23]](#footnote-23)** This trial was designed for disengaged customers who “find it difficult or do not feel confident enough to navigate the complex range of tariffs available in the open market.” It aimed to gives them a ‘helping hand’, with the addition of a third-party consumer partner. Around 50,000 customers participated in this trial.

This trial involved a series of letters offering disengaged energy customers an exclusive tariff negotiated by a third-party consumer partner. Over seven weeks the consumers involved received:

* An initial letter announcing a forthcoming exclusive tariff plus an opt-out option
* A follow-up letter outlining projected saving with the exclusive tariff, suggesting customers contact the third-party consumer partner for full results
* A final reminder letter with projected saving emphasising a closing date

This trial was a success with 22.4 per cent of trial participates switch their energy trial. This is eight times higher than the switching rate of 2.4 per cent for control group.

**Victorian government: Victorian $50 Power Saving Bonus – creating motivation to compare**

In the 2018-19 Budget, the Victorian Government introduced the $50 Power Saving Bonus with $48 million in funding. This program aimed to ensure that all Victorians were getting the best possible deal on their electricity bills. An estimated 1 million households are eligible for this bonus.

This program incentivised Victorian households to use the [Victorian Energy Compare website](https://compare.energy.vic.gov.au/) to search for the cheapest electricity plan. Households were not required to take up an offer or switch power plans to receive the bonus. This meant the bonus rewarded the behaviour of ‘searching’ and ‘comparing’. A behaviour that would be ideal in mortgage markets.

On average, the Victorian Government estimates that Victorians who use the independent comparison website save $330 on their energy bills in the first year alone – with seven out of 10 finding a better deal by switching retail offers.

“Speaker, this Government recognises Victorians are increasingly burdened by cost-of-living pressures.

It’s why we’re investing $48 million in the Power Saving Bonus to encourage and assist Victorian households to get a better deal from electricity providers.

Not only will they receive a $50 bonus for using our Energy Compare website, they could save hundreds of dollars a year off their electricity bills”[[24]](#footnote-24)

The scheme commenced in July 2018 and it is estimated that in the first month 300,000 Victorians had visited the website with about 77,000 claiming the bonus.[[25]](#footnote-25) The Victorian Government also undertook an advertising campaign to promote the scheme.

The Victorian Government has since extended the existing Power Saving Bonus to 30 June 2020.

**Implement an Active Consumer Week – creating a prompt**

The Social Market Foundation notes that evidence consistently suggests a significant proportion of the UK population are not motivated to engage with achieving better value in many consumer markets.**[[26]](#footnote-26)**

It believes that there “would be considerable benefits to a policy that could overcome some of the motivational barriers to consumer engagement.”

The SMF proposes that stakeholders hold a national Active Consumer Week (ACW) once a year. An ACW could involve coordination between regulators and industry around encouraging consumers to look around for the best deal. A benefit of the ACW is that consumers engaged by this week would have the mental load of ‘shopping around’ limited to a shorter time period rather than leaving it open for the whole year and susceptible to falling behind day-to-day life.

The concept of an awareness week is not unfamiliar to the Government with the Australian Government currently running the following awareness weeks:

### [Stay Smart Online Week (ACSC) - an annual event focused on empowering people, businesses and the community to protect themselves online.](https://www.staysmartonline.gov.au/get-involved/stay-smart-online-week)

* Privacy Awareness Week (OAIC) - an annual event that highlights the importance of protecting personal information and helps organisations, agencies and the public navigate the privacy landscape.
* Scam Awareness Week (ACCC) - an annual awareness-raising week which aims to minimise the impact of scams on the community by raising awareness and promoting education about ways to detect and avoid scams.

1. ACCC appearance before House of Representatives Economics Committee, 18 September 2019 [↑](#footnote-ref-1)
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3. APRA Chair Wayne Byres - Speech to COBA 2019 Convention, 11 November 2019, available [online](https://www.apra.gov.au/news-and-publications/apra-chair-wayne-byres-speech-to-coba-2019-customer-owned-banking-convention). [↑](#footnote-ref-3)
4. Forbes article: When Customers Don't Care: Lessons from 'Consumer Inertia' and Gas Prices, 20 June 2019, available [online](https://www.forbes.com/sites/hbsworkingknowledge/2019/06/20/when-customers-dont-care-lessons-from-consumer-inertia-and-gas-prices/#d9d8c0940bff). [↑](#footnote-ref-4)
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12. ASIC 2017, Submission to the Productivity Commission Inquiry into competition in the Australian financial system, page 57, available [online](https://www.pc.gov.au/__data/assets/pdf_file/0014/222170/sub040-financial-system.pdf). [↑](#footnote-ref-12)
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