

Mozo Experts Choice Research Report

Product Category:
PERSONAL LOANS

22 October 2015



Who is Mozo?

Mozo Pty Ltd (“Mozo”) provides a financial comparison service that was launched in 2008 by a team of passionate financial services enthusiasts with the goal of creating an online service that helps consumers save money. Mozo offers consumers a comprehensive product comparison service that covers the retail banking market, insurance, energy and more.

Currently around 300,000 Australians a month use Mozo’s financial comparison service. Mozo’s comparison technology and expertise is used by some of Australia’s largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence.

Mozo’s management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, and actuarial services to product development, and technology. Mozo’s Team are often called upon to provide expert media commentary in relation to retail financial services.

Our Experts Choice awards analysis is carried out by our Research & Insights Director and our Product Data Manager, who between them have over 50 years of financial services experience and 21 years in online financial services comparison.

Andrew Duncanson is our Research & Insights Director. Andrew has worked in financial services for over 20 years in Australia and the UK and is a qualified actuary. Andrew is also a Responsible Manager for Mozo’s Australian Financial Services Licence.

Peter Marshall is our Product Data Manager. He has over 30 years’ experience in financial services, including product data at other financial comparison sites before Mozo. Peter is a Responsible Manager for Mozo’s Australian Financial Services Licence.

Mozo Experts Choice Awards

The Mozo Experts Choice Awards are an initiative from Mozo that recognises Australia's best value financial products to help Australians save money.

The Mozo Experts Choice Awards are designed to complement the popular Mozo People's Choice Awards, which are based on the reviews of real banking customers and recognise banking and insurance institutions with the highest customer satisfaction levels.

For the Mozo Experts Choice Awards Gold medals are awarded to the top 10% of products that meet the selection criteria in each awards category. A maximum of 10 individual products are awarded gold in each category.

What Personal Loan products do we consider?

In carrying out the Mozo Experts Choice Personal Loan Awards we analysed 181 personal loan products from 55 Australian lenders based on data contained in Mozo's product database as at 30 September 2015.

We aim to include most personal loan providers in the market in the Mozo Experts Choice Awards. However, not every personal loan product on the market will be included in our review.

Any personal loan product we review must be available in the market at the time of our analysis and must be available to the general public on the provider's website. Products with interest rates and fees that may vary depending on either the applicant's credit score or deposit amount were not eligible for awards.

The Mozo Experts Choice Personal Loan Award Winners 2015

[1] BEST NEW CAR LOAN

PROVIDER	PRODUCT
ADCU	New Car Loan
Beyond Bank	Low Rate Car Loan Special Offer
Credit Union SA	Car Loan Special
Defence Bank	New Car Loan
Easy Street	New Car Loan
IMB Bank	New Car Personal Loan
Intech Credit Union	New Car Loan
People's Choice Credit Union	Discounted Personal Loan
QANTAS Credit Union	Car Loan
Victoria Teachers Mutual Bank	New Car Loan

[2] BEST USED CAR LOAN

PROVIDER	PRODUCT
Beyond Bank	Low Rate Car Loan Special Offer
Credit Union SA	Car Loan Special
Defence Bank	Used Car Loan
Easy Street	New Car Loan
Greater Building Society	Secured Personal Car Loan
IMB Bank	Secured Personal Loan
Intech Credit Union	New Car loan
People's Choice Credit Union	Discounted Personal Loan
QANTAS Credit Union	Car Loan
Victoria Teachers Mutual Bank	Used Car Loan

[3] BEST SECURED PERSONAL LOAN

PROVIDER	PRODUCT
Beyond Bank	No Fee Car or Personal Loan
Credit Union SA	Car Loan
IMB Bank	Secured Personal Loan

[4] BEST UNSECURED PERSONAL LOAN

PROVIDER	PRODUCT
CUA	Unsecured Personal Loan (Fixed)
Gateway Credit Union	Unsecured Personal Loan
Intech Credit Union	Unsecured Personal Loan
Newcastle Permanent	Personal Loan
QANTAS Credit Union	Unsecured Personal Loan
SCU	Cracker Unsecured Personal Loan
Victoria Teachers Mutual Bank	Personal Loan

[5] BEST PERSONAL LINE OF CREDIT

PROVIDER	PRODUCT
Citibank	Ready Credit

Calculations

For the New Car Loan and Used Car Loan categories we calculated the cost (including principal, interest, fees and charges) of a \$30,000 loan repaid over 5 years.

For the general purpose Secured Personal Loan and Unsecured Personal Loan categories we calculated the cost (including principal, interest, fees and charges) of a \$10,000 loan repaid over 3 years.

For the Line of Credit category we calculated the cost of interest only payments and fees for a \$10,000 outstanding balance over 3 years.

The applicable interest rate, whether variable or fixed, and all mandatory fees were taken into account in the calculations. The mandatory fees are:

- Application fee
- Regular service fees
- Exit fee

Where the interest rate varied depending on loan amount, the relevant rate for the amounts above was used.

To allow for variations in rates and fees over time we performed this calculation at three dates and averaged the results. The dates used were 31 July 2015, 31 August 2015, and 30 September 2015. Any loans not available at each of these three dates were excluded from the final analysis.

Where a product offers both variable and fixed rate options both were assessed separately and, unless otherwise specified in the list of winners, both rate options qualified for the award. We did not consider whether a new or used car loan requires security over the car being purchased.

We did not consider any other features or exception fees in our assessment including:

- Early repayment penalties
- Late payment fees
- Whether extra repayments can be made to pay off the loan faster

Loans Not Eligible For Awards

The following types of loans were not eligible for winning these awards:

- where the rates or fees advertised are starting rates or fees and the actual rates or fees that an applicant would ultimately be offered can be dependant on a number of factors. These factors include credit assessment and deposit amount.
- where a deposit is required to qualify for an advertised rate.
- where the loan purpose is restricted such as 'green' loans or 'travel' loans.
- overdrafts that are credit facilities attached to a deposit account.

How the Mozo Experts Choice Awards are determined

The Mozo Experts Choice Personal Loan awards are awarded based on the following criteria and across the following categories:

[1] BEST NEW CAR LOAN

Aim:

This award is for the lowest cost personal loans for consumers buying a new car including new car loan specific products and broader products.

Method:

We identified all loans in the Mozo database that can be used to purchase a new car, and performed the cost calculation as detailed above. Products are ranked from lowest to highest cost based on the above calculations and the top 10 were given awards.

[2] BEST USED CAR LOAN

Aim:

This award is for the lowest cost personal loans for consumers buying a used car including used car specific products and broader products.

Method:

We identified all loans in the Mozo database that can be used to purchase a used car, and performed the cost calculation as detailed above. Products are ranked from lowest to highest cost based on the above calculations and the top 10 were given awards.

[3] BEST SECURED PERSONAL LOAN

Aim:

This award is for the lowest cost personal loans for consumers that can be used for any purpose but require the loan to be secured against assets.

Method:

We identified all loans in the Mozo database that do not have restrictions on the use of the funds but do require provision of an asset as security, one option of which must be a car, and performed the cost calculation as detailed above. Products are ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

[4] BEST UNSECURED PERSONAL LOAN

Aim:

This award is for the best personal loans for consumers that can be used for any purpose without the need to provide security.

Method:

We identified all loans in the Mozo database that do not have restrictions on the use of the funds and do not require provision of security, and performed the cost calculation as detailed above. Products are ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

[5] BEST PERSONAL LINE OF CREDIT

Aim:

This award is for the best line of credit for consumers that can be used for any purpose without the need to provide security.

Method:

We identified all loans in the Mozo database that operate as lines of credit, allowing the funds to be redrawn up to the approved credit limit at any time, and performed the cost calculation as detailed above. Products are ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

How we manage conflicts of interest

Mozo Experts Choice awards is based on objective verifiable facts and analysis. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice Awards category without reference to Mozo's sales or commercial functions. Our internal structures help to avoid conflicts of interest arising between our research team and other areas of the business in the generation of our research reports. Details of how we are paid are contained in our Financial Services Guide.

Lenders can participate in the Mozo Experts Choice Awards free of charge. Mozo charges a licence fee to personal loan providers to allow them to use the Mozo Experts Choice Awards badges in their own marketing activities, and offers promotional packages that may be purchased.

Lenders that receives a Mozo Experts Choice Award may choose to list its products on the Mozo website in a way that may generate revenue for Mozo. Mozo Experts Choice Awards are awarded irrespective of a personal loan provider's commercial relationship with Mozo.

DISCLAIMER:

Any advice included in any document published by Mozo Pty Ltd (AFSL/ACL 328141) is general in nature and does not take into account your objectives, financial situation or needs. Before acting on the advice, you should consider whether it's appropriate to you and seek professional advice from a suitably qualified adviser.

Appendix

List of all personal loans considered in these awards.

Provider	Loan
act.	Secured Personal Loan (Fixed)
act.	Unsecured Personal Loan (Fixed)
ADCU	Equity Car Loan (Variable)
ADCU	New Car Loan (Variable)
ADCU	Unsecured Personal Loan (Fixed)
ADCU	Unsecured Personal Loan (Variable)
ADCU	Used Car Loan (Variable)
ANZ	Online Secured Car Loan (Fixed)
ANZ	Unsecured Personal Loan (Fixed)
ANZ	Unsecured Personal Loan (Variable)
Arab Bank Australia	Secured (Fixed)
Arab Bank Australia	Secured (Variable)
Arab Bank Australia	Unsecured (Fixed)
Arab Bank Australia	Unsecured (Variable)
Aussie	Unsecured Personal Loan (Fixed)
Auswide Bank	New Car Loan (Fixed)
Auswide Bank	New Car Loan (Variable)
Auswide Bank	Unsecured Personal Loan (Fixed)
Auswide Bank	Unsecured Personal Loan (Variable)
Auswide Bank	Used Car Loan (Fixed)
Auswide Bank	Used Car Loan (Variable)
Bank Australia	Lifestyle Personal Loan (Variable, for property owners)
Bank Australia	Lifestyle Personal Loan (Variable, Unsecured)
Bank of Melbourne	Get Set Loan (Variable, Unsecured)
Bank of Melbourne	Secured Personal Loan (Fixed)
Bank of Melbourne	Secured Personal Loan (Variable)
Bank of Melbourne	Unsecured Personal Loan (Fixed)
Bank of Melbourne	Unsecured Personal Loan (Variable)
Bank of Queensland	Car Loan (Fixed)
Bank of Queensland	Car Loan (Variable)
Bank of Queensland	Unsecured Personal Loan (Fixed)
Bank of Queensland	Unsecured Personal Loan (Variable)
BankSA	Car Loan (Fixed)
BankSA	Car Loan (Variable)
BankSA	Get Set Loan (Variable, Unsecured)
BankSA	Unsecured Personal Loan (Fixed)
BankSA	Unsecured Personal Loan (Variable)

Bankwest	Car Loan (Fixed)
Bankwest	Flexible Personal Loan (Fixed, Unsecured)
Bankwest	Unsecured Personal Loan (Fixed)
BCU	Freedom Loan (Variable, Unsecured)
BCU	Multipurpose Loan (Variable, Unsecured)
BCU	New Car Loan (Variable)
BCU	Used Car Loan (Variable)
Bendigo Bank	Generation Green Personal Loan (Fixed, Secured)
Bendigo Bank	Generation Green Personal Loan (Fixed, Unsecured)
Bendigo Bank	Secured Personal Loan (Fixed)
Bendigo Bank	Unsecured Personal Loan (Fixed)
Beyond Bank	Flexi Personal Loan (Fixed, Unsecured)
Beyond Bank	Flexi Personal Loan (Variable, Unsecured)
Beyond Bank	Low Rate Car Loan Special Offer (Fixed)
Beyond Bank	Low Rate Car or Personal Loan (Fixed)
Beyond Bank	No Fee Car or Personal Loan (Fixed)
Big Sky	New Car Loan (Variable)
Big Sky	Personal Loan (Variable, Partially Secured)
Big Sky	Personal Loan (Variable, Secured)
Big Sky	Unsecured Personal Loan (Variable)
Catalyst Money	Variable Rate New Car Loan
Catalyst Money	Car Loan (Fixed)
Catalyst Money	Unsecured Personal Loan (Fixed)
Citibank	Personal Credit (Variable, Unsecured)
Citibank	Ready Credit (Fixed Payment Option, Unsecured)
Citibank	Ready Credit - 3 year introductory rate (Variable, Unsecured)
Commonwealth Bank	Secured Car Loan (Fixed)
Commonwealth Bank	Unsecured Personal Loan (Fixed)
Community First Credit Union	Unsecured Personal Loan (Variable)
Community First Credit Union	Green Car Loan (Fixed)
Community First Credit Union	New Car Loan (Fixed)
Community First Credit Union	Personal Loan (Fixed, Unsecured)
Community Mutual Group	Personal Loan (Variable, Unsecured)
Community Mutual Group	Accelerator Car Loan (Fixed)
Community Mutual Group	Car Loan (Variable)
Community Mutual Group	Personal Touch Loan (Fixed, Unsecured)
Credit Union SA	Unsecured Personal Loan (Variable)
Credit Union SA	Car Loan (Fixed)
Credit Union SA	Car Loan (Fixed)
Credit Union SA	Car Loan Special (Fixed)

Credit Union SA	Standard Personal Loan (Variable, Unsecured)
CUA	Fixed Rate Car Loan (2 to 5 years old)
CUA	Fixed Rate Car Loan (Up to 2 years old, over \$15k)
CUA	Unsecured Personal Loan (Fixed)
CUA	Unsecured Personal Loan (Variable)
Defence Bank	New Car Loan (Variable)
Defence Bank	Personal Loan (Variable, Unsecured)
Defence Bank	Used Car Loan (Variable)
DirectMoney	Personal Loan (Fixed, Unsecured)
Easy Street	New Car Loan (Fixed)
Easy Street	Unsecured Personal Loan (Fixed)
Easy Street	Unsecured Personal Loan (Variable)
Gateway Credit Union	New Car Loan (Variable)
Gateway Credit Union	Unsecured Personal Loan (Fixed)
Gateway Credit Union	Unsecured Personal Loan (Variable)
Gateway Credit Union	Used Car Loan (Over 5 years old, Variable)
Gateway Credit Union	Used Car Loan (Under 5 years old, Variable)
GE Money	Personal Loan (Fixed, Secured)
GE Money	Personal Loan (Fixed, Unsecured)
Greater Building Society	Secured Personal Loan (Fixed)
Greater Building Society	Unsecured Personal Loan (Fixed)
Heritage Bank	Car Loan (Fixed)
Heritage Bank	Standard Personal Loan (Fixed, Unsecured)
Heritage Bank	Standard Personal Loan (Variable, Unsecured)
IMB Bank	New Car Personal Loan (Fixed)
IMB Bank	Secured Personal Loan (Fixed)
IMB Bank	Unsecured Personal Loan (Fixed)
Intech Credit Union	New Car loan (up to 5 years old) (Fixed)
Intech Credit Union	Unsecured Personal Loan (Variable)
Intech Credit Union	Used Car Loan (over 5 years old) (Fixed)
Liberty	Drive Car Loan (Variable)
loans.com.au	Car Loan (Fixed)
Maritime, Mining & Power Credit Union	Car Loan (Fixed)
Maritime, Mining & Power Credit Union	Car Loan (Variable)
Maritime, Mining & Power Credit Union	Personal Loan (Fixed, Unsecured)
Maritime, Mining & Power Credit Union	Personal Loan (Variable, Unsecured)
ME	Personal Loan (Fixed, Unsecured)
MyState	General Purpose Personal Loan (Variable, Unsecured)
MyState	Secured Personal Loan (2-7 years old) (Variable)
MyState	Secured Personal Loan (up to 2 years old) (Variable)
NAB	Personal Loan (Fixed, Unsecured)

NAB	Personal Loan (Variable, Unsecured)
Newcastle Permanent	Personal Loan (Fixed, Secured)
Newcastle Permanent	Personal Loan (Fixed, Unsecured)
NRMA	New Car Loan (Fixed)
NRMA	Personal Loan (Fixed)
P&N Bank	Easypay Personal Loan (Variable)
P&N Bank	Easypay Personal Loan (Variable, Unsecured)
People's Choice Credit Union	Discounted Personal Loan (Fixed)
People's Choice Credit Union	Secured Personal Loan (Fixed)
People's Choice Credit Union	Unsecured Personal Loan (Fixed)
QANTAS Credit Union	Special Secured Loan (Variable)
QANTAS Credit Union	Qantas Points Car Loan (Fixed)
QANTAS Credit Union	Unsecured Personal Loan (Variable)
QT Mutual Bank	Car Loan (Fixed, cars <2 years old)
QT Mutual Bank	Car Loan (Fixed, cars >2 years old)
QT Mutual Bank	Personal Loan (Variable, Unsecured)
Queensland Country Credit Union	Eco Smart Car Loan (20% deposit, Fixed)
Queensland Country Credit Union	Eco Smart Car Loan (Fixed)
Queensland Country Credit Union	Secured Personal Loan (Fixed)
Queensland Country Credit Union	Secured Personal Loan (New Car, 20% deposit, Fixed)
Queensland Country Credit Union	Unsecured Personal Loan (Fixed)
Queenslanders Credit Union	Secured Personal Loan (over 5 years old, over \$20k)
Queenslanders Credit Union	Secured Personal Loan (over 5 years old, under \$20k)
Queenslanders Credit Union	Secured Personal Loan (under 5 years old, over \$20k)
Queenslanders Credit Union	Secured Personal Loan (under 5 years old, under \$20k)
Queenslanders Credit Union	Unsecured Personal Loan (Variable)
RACQ	New Car Loan (Fixed)
RACQ	Secured Personal Loan (Fixed)
RACQ	Unsecured Personal Loan (Fixed)
RACV	New Car Loan (Fixed)
RACV	Personal Loan (Fixed, Secured)
RateSetter	Unsecured Personal Loan (Fixed)
SCU	Cracker Unsecured Personal Loan (Variable)
SCU	New Car Loan (Fixed)
SCU	New Car Loan (Variable)
SCU	Secured Personal Loan (Variable)
SocietyOne	Unsecured Personal Loan - AA Rated Borrowers (Fixed)
St.George	Car Loan (Fixed)
St.George	Car Loan (Variable)
St.George	Get Set Loan (Variable, Unsecured)
St.George	Secured Personal Loan (Fixed)

St.George	Secured Personal Loan (Variable)
St.George	Unsecured Personal Loan (Fixed)
St.George	Unsecured Personal Loan (Variable)
Suncorp	Car Loan (Fixed)
Suncorp	Unsecured Personal Loan (Fixed)
Teachers Mutual Bank	All Purpose Loan (Variable, Unsecured)
Teachers Mutual Bank	Car Loan (Variable)
Teachers Mutual Bank	Secured New Car Loan (Variable)
Victoria Teachers Mutual Bank	Green Car Loan (Fixed)
Victoria Teachers Mutual Bank	Green Car Loan (Variable)
Victoria Teachers Mutual Bank	New Car Loan (Fixed)
Victoria Teachers Mutual Bank	New Car Loan (Variable)
Victoria Teachers Mutual Bank	Personal Loan (Fixed, Unsecured)
Victoria Teachers Mutual Bank	Personal Loan (Variable, Unsecured)
Victoria Teachers Mutual Bank	Revolving Personal Loan (Variable, Unsecured)
Victoria Teachers Mutual Bank	Used Car Loan (Fixed)
Victoria Teachers Mutual Bank	Used Car Loan (Variable)
Westpac	Car Loan (Fixed)
Westpac	Personal Flexi Loan (Variable, Unsecured)
Westpac	Personal Loan (Fixed, Unsecured)