



Mozo Experts Choice Awards **Personal Loans 2018**

Methodology Report
October 2018



Mozo Experts Choice Awards Personal Loans 2018

Every day, Mozo keeps track of thousands of products in banking, insurance and energy.

We use our knowledge and experience to identify those products that offer great value or market-leading features, and we recognise them with the Mozo Experts Choice Awards.

- For product providers, a Mozo Experts Choice Award is a third-party endorsement of their product.
- For consumers, it's a sign that a product is among the leaders and is worthy of consideration.

This report lists the winners and explains the judging methodology for our 2018 Personal Loan awards.

Personal Loans - 2018 Winners

Personal Loan Provider of the Year

Police Bank

Unsecured Personal Loan

Endeavour Mutual Bank	Personal Loan
Gateway Bank	Unsecured Personal Loan (Variable)
ING	Unsecured Personal Loan
MOVE Bank	Personal Loan Special
Newcastle Permanent	Personal Loan (Unsecured)
Police Bank	Personal Loan (Fixed)
SCU	Special Offer Unsecured Personal Loan

Excellent Credit Unsecured Personal Loan

Endeavour Mutual Bank	Personal Loan
G&C Mutual Bank	Fair Rate Personal Loan - AA Rated Borrowers (Unsecured)
Harmony	Unsecured Personal Loan
ING	Unsecured Personal Loan
MoneyPlace	Unsecured Personal Loan - Excellent Credit Rating
MOVE Bank	Personal Loan Special

Pepper Money	Personal Loan
Police Bank	Personal Loan (Fixed)
SCU	Special Offer Unsecured Personal Loan
SocietyOne	Unsecured Personal Loan - Excellent Credit

Car Loan

Beyond Bank	Low Rate Car Loan Special Offer
Catalyst Money	Online Personal Loan Package
Catalyst Money	Secured Fixed Personal Loan (New Car)
Community First Credit Union	New Car Loan
Credit Union SA	Education Community Special Fixed Rate Personal Loan
Illawarra Credit Union	Online Personal Loan Package
Illawarra Credit Union	Secured Fixed Personal Loan (New Car)
loans.com.au	New Car Loan
MOVE Bank	New Car Loan
People's Choice Credit Union	Discounted Personal Car Loan
Police Credit Union	Fixed Rate Car Loan
SCU	New Car Loan (Variable)

Used Car Loan

Bank Australia

Car Loan

BankVic

Car Loan

CUA

Secured Car Loan

Newcastle Permanent

Personal Loan (Secured)

Police Bank

Car Loan

Police Credit Union

Variable Rate Car Loan

Police Credit Union

Fixed Rate Car Loan

Suncorp

Car Loan

Secured Personal Loan

Catalyst Money

Online Personal Loan Package

Credit Union SA

Education Community Special Fixed Rate Personal Loan

Credit Union SA

Special Fixed Rate Personal Loan

Illawarra Credit Union

Online Personal Loan Package

Excellent Credit Secured Personal Loan

Catalyst Money

Online Personal Loan Package

Credit Union SA

Education Community Special Fixed Rate Personal Loan

Credit Union SA

Special Fixed Rate Personal Loan

G&C Mutual Bank

Fair Rate Personal Loan - AA Rated Borrowers (Secured)

Illawarra Credit Union

Online Personal Loan Package

Green Personal Loan

Police Bank

Green Loan

Green Car Loan

Bank Australia

Car Loan

Personal Line of Credit

Citi

Ready Credit - 3 Year Introductory Rate

Best New Loan Product

loans.com.au

Clean Green Car Loan

How do we judge the winners?

Mozo Experts Choice Awards for Personal Loans are based on the following methodology.

Common Calculations

The applicable interest rate, whether variable or fixed, and all mandatory fees, were taken into account across all personal loan award categories. Application fees, regular service fees and any exit fees are considered as 'mandatory fees'.

To allow for variations in rates and fees over time we performed calculations at three dates and averaged the results. The dates used were 31 July, 31 August and 30 September 2018. Any loans not available at each of these three dates were excluded from the final analysis.

Where a product offers multiple rate options (e.g. fixed, variable, secured, unsecured, etc.) each option qualifying for inclusion in the category was assessed separately and, unless otherwise specified in the lists of winners, all rate options qualified for the award. Where the interest rate varied depending on loan amount, the relevant rate for the award category was used.

Products with risk-based pricing (where the consumer's credit score and other factors determine the final interest rate that is offered) were only considered in 'Excellent Credit' award categories.

Products requiring a upfront deposit, existing membership, term deposit or direct salary deposits were not eligible for awards.

We did not consider late payment fees, extra repayment facilities and any other features or exception fees.

Unsecured Personal Loan

This award considers loans in the Mozo database that do not have restrictions on the use of the funds and without the need to provide security. Using this criteria and a loan amount of \$10,000 repaid over 3 years, products are ranked from lowest to highest cost based on the common calculation method and the top 10% were presented awards.

Excellent Credit Unsecured Personal Loan

A portion of lenders vary the interest rate on a loan depending on an applicant's credit score and application details. The 'Excellent Credit' award categories aim to identify the lowest cost general purpose, personal loans from any lender for a consumer with an 'excellent' credit score.

All loans in the Mozo database were assessed that do not have restrictions on the use of the funds, and do not require provision of security. The cost calculation was based on a \$10,000 loan repaid over 3 years, based only on the rate that would be offered to a borrower assessed as qualifying for their best rate. Products are ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

Car Loan

The Car Loan category awards the lowest cost personal loans for consumers buying a new car. We identified all loans in the Mozo database that can be used to purchase a vehicle, with the vehicle required as security against the loan. Using the scenario of a \$30,000 loan repaid over 5 years, we calculated the total cost (including principal, interest, fees and charges).

Products were then ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

Additionally, we considered an 'excellent credit' category of this award which assessed products with risk-based pricing. This assessment identified only one car loan product that was not also in the standard category. For simplicity, this product was awarded a Car Loan award.

Used Car Loan

The Used Car Loan category awards the lowest cost personal loans for consumers buying a 5-year-old used car. This included products with the specific purpose of purchasing a used car with the car offered as security against the loan, as well as other products that could also be used to fund the purchase where a vehicle was required as security. The same calculation methods as the Car Loan category was employed, apart from the loan amount, which was reduced to \$15,000.

Products were then ranked from lowest to highest cost and the top 10% were given awards.

Secured Personal Loan

This award considers loans in the Mozo database that do not have restrictions on the use of the funds but require an asset as security. Using this criteria and a loan amount of \$10,000 repaid over 3 years, products are ranked from lowest to highest cost based on the common calculation method and the top 10% were presented awards.

Excellent Credit Secured Personal Loan

All loans in the Mozo database were assessed that do not have restrictions on the use of the funds, but do require provision of security. The rate used was the advertised rate or the best rate available for those that have variable pricing.

The cost calculation was based on a \$10,000 loan repaid over 3 years, based only on the rate that would be offered to a borrower assessed as qualifying for their best rate. Products are ranked from lowest to highest cost based on the above calculations and the top 10% were given awards.

Green Personal Loan

We identified all loans in the Mozo database that can only be used for environmentally friendly home improvement purposes (such as solar energy installs, rainwater tanks, and insulation improvements), then performed the cost calculation using a \$10,000 amount and 3 year term. Those products were then ranked from lowest to highest cost, with the top product then awarded.

Green Car Loan

Only loans that offer specific rates or fees to encourage the purchase of low emission vehicles and require the vehicle as security for the loan were considered for this award. A cost calculation using a \$30,000 amount over 5 years was then performed and the top product were awarded.

Personal Line of Credit

All loans in the Mozo database that operate as lines of credit were identified and considered for this award. These products allow for funds to be redrawn up to the approved credit limit at any time. Line of Credit cost calculation is based on the total cost of interest only payments and fees on a \$10,000 outstanding balance over 3 years.

Best New Loan Product

All new additions to the Mozo personal loan database in the last 12 months were considered for this award. Our judging panel assessed each new product on its benefit to potential customers and any novel features or facilities it offered.

Personal Loan Provider of the Year

To recognise the provider that has been the most successful in these awards, we awarded an overall Provider of the Year award. The judges considered all providers that had won awards for multiple products in both a secured and unsecured loan category, and the winner was chosen after considering the number of awards won.

What products do we consider?

In carrying out the Mozo Experts Choice Awards in Personal Loans, we analysed 196 personal loan products issued by 74 Australian financial institutions based on data contained in Mozo's product database as at 30 September 2018.

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 any offers included must be available to the general public on the provider's website.

How many winners are there?

We typically aim to award the top 10% of products in each category. The judges may use their discretion to adjust the cutoff up or down as necessary after examining the difference between products at the margin.

How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Providers do not pay to enter the Mozo Experts Choice Awards.

Should a winning provider wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



About Mozo

Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been 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, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

Our Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Services Director. AJ has worked in financial services and product comparison for over 28 years in Australia and the UK and is a qualified actuary and Responsible Manager on Mozo's Australian Financial Services Licence and Australian Credit Licence.

Important Information

The information published in this report is of a general nature only and does not take into account your situation or needs. Before choosing a product, you should consider whether it's appropriate to you and you should read all the information available from the product provider.

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Appendix

List of Personal Loan products considered in the awards.

Provider	Personal Loan
ANZ	Unsecured Personal Loan
Arab Bank Australia	Secured Personal Loan
	Unsecured Personal Loan
Australian Military Bank	Car Loan - Excellent Credit (Variable)
	Unsecured Personal Loan - Excellent Credit (Fixed)
	Unsecured Personal Loan - Excellent Credit (Variable)
Auswide Bank	New Vehicle Loan (Up to 18 months old)
	Unsecured Personal Loan
	Used Vehicle Loan (Over 18 months and under 10 years old)
Bank Australia	Car Loan (Fixed)
	Lifestyle Personal Loan
Bank First	Green Car Loan
	Green Personal Loan
	New Car Loan
	Overdraft
	Personal Loan (Unsecured)
	Used Car Loan
Bank of Melbourne	Secured Personal Loan
	Unsecured Personal Loan
Bank of Queensland	Car Loan
	Unsecured Personal Loan
BankSA	Secured Personal Loan
	Unsecured Personal Loan
BankVic	Car Loan (Fixed)
	Unsecured Personal Loan
Bankwest	Car Loan (Fixed)
	Flexible Personal Loan
	Unsecured Personal Loan
bcu	New Car Loan
	Secured Freedom Loan
bcu	Unsecured Freedom Loan
Bendigo Bank	Green Personal Loan (Fixed, Secured)

	Green Personal Loan (Fixed, Unsecured)
	Secured Personal Loan
	Unsecured Personal Loan
Beyond Bank	Flexi Personal Loan (Unsecured)
	Low Rate Car Loan Special Offer
	Low Rate Car or Personal Loan
	No Fee Car or Personal Loan
Big Sky	New Car Loan
	Personal Loan (Secured)
	Unsecured Personal Loan
Catalyst Money	Online Personal Loan Package (Variable)
	Secured Fixed Personal Loan (New)
	Secured Fixed Personal Loan (Used)
	Unsecured Personal Loan
Citi	Personal Loan Plus
	Ready Credit Flexible Personal Loan
Coles	Unsecured Personal Loan (Non-flybuys members rates)
Commonwealth Bank	Secured Car Loan (Fixed)
	Unsecured Personal Loan
Community First Credit Union	Car Loan - Fixed
	Green Loan
	New Car Loan - Variable
	Unsecured Personal Loan
Credit Union SA	Education Community Fixed Rate Personal Loan
	Education Community Variable Rate Personal Loan
	Fixed Rate Personal Loan
	Variable Rate Personal Loan (Unsecured)
CUA	Secured Car Loan (Fixed)
	Unsecured Personal Loan (Fixed)
	Unsecured Personal Loan (Variable)
Defence Bank	Low Rate Car Loan
	Personal Loan
Easy Street	Unsecured Personal Loan
Endeavour Mutual Bank	Car Loan
	Personal Loan
G&C Mutual Bank	Fair Rate Personal Loan (Variable, Secured)
	Fair Rate Personal Loan (Variable, Unsecured)
	Fixed Rate Car Loan (Fixed)
Gateway Bank	Edge Overdraft

	New Car Loan
	Unsecured Personal Loan
	Used Car Loan
Goldfields Money	Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
Greater Bank	New Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
Harmoney	Low Rate Car Loan
	Unsecured Personal Loan
Heritage Bank	Car Loan
	Low Rate Secured Personal Loan
	Standard Personal Loan (Unsecured)
HSBC	Unsecured Personal Loan
Hume Bank	Secured Personal Loan (secured by vehicle up to 5 years old)
	Unsecured Personal Loan
Hunter United	Green Personal Loan
	Low Rate Car Loan
	Secured Personal Loan (Variable - not for debt consolidation)
	Unsecured Personal Loan (Variable - not for debt consolidation)
Illawarra Credit Union	Online Personal Loan Package
	Secured Fixed Personal Loan (New)
	Secured Fixed Personal Loan (Used)
	Unsecured Personal Loan (Fixed)
IMB Bank	New Car Loan (up to 2 years old)
	Personal Line of Credit
	Secured Personal Loan
	Unsecured Personal Loan
ING	Unsecured Personal Loan
Latitude	Car Loan
Latitude	Low Rate Personal Loan (Secured)
	Low Rate Personal Loan (Unsecured)
	Personal Loan (Secured)
	Personal Loan (Unsecured)
Liberty	Drive Car Loan
loans.com.au	Clean Green Car Loan

	New Car Loan
	New Car Loan (Fixed)
	Used Car Loan (Fixed)
Macquarie Credit Union	10-5-50 Personal Loan
	New Car Loan
	Special Car Loan
	Unsecured Personal Loan
	Used Car Loan
Maitland Mutual Building Society	Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
ME	Personal Loan
MoneyPlace	Unsecured Personal Loan (Fixed)
MOVE Bank	Flexi Personal Credit
	New Car Loan
	Personal Loan (Unsecured)
	Used Car Loan
MyState Bank	General Purpose Personal Loan
	Secured Personal Loan
NAB	Personal Loan (Fixed, Unsecured)
	Personal Loan (Variable, Unsecured)
Newcastle Permanent	Secured Personal Loan
	Unsecured Personal Loan
now FINANCE	Unsecured Personal Loan
NRMA	New Car Loan (Fixed)
	Used Car Loan (Fixed)
P&N Bank	Secured Personal Loan
	Unsecured Personal Loan
People's Choice Credit Union	Discounted Personal Car Loan
	Discounted Personal Loan
	Low Rate Unsecured Personal Loan
People's Choice Credit Union	Unsecured Personal Loan
Pepper Money	Personal Loan
Police Bank	Car Loan (Fixed)
	Green Loan
	Personal Loan (Fixed)
Police Credit Union	Fixed Rate Car Loan
	Personal Loan
	Solar Eco Loan

	Variable Rate Car Loan
QBANK	Car Loan (Variable)
	Personal Loan
Qudos Bank	Car Loan (Variable)
	Qantas Points Car Loan (Fixed)
	Unsecured Personal Loan (Variable)
Queensland Country Credit Union	New Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
Queenslanders Credit Union	New Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
RAA	Car Loan (Fixed)
	Car Loan (Fixed, Member Rates)
	Unsecured Personal Loan (Fixed)
	Unsecured Personal Loan (Fixed, Member Rates)
RACQ Bank	Fixed Car Loan
	Unsecured Personal Loan
RACV	New Car Loan (Fixed)
	Personal Loan (Fixed)
RateSetter	Unsecured Personal Loan
Regional Australia Bank	Accelerator Car Loan
	Car Loan
	Enviro Loan
	Personal Touch Loan
	Unsecured Personal Loan
SCU	New Car Loan
	Secured Personal Loan
	Unsecured Personal Loan
SocietyOne	Car Loan - Excellent Credit (Fixed)
	Unsecured Personal Loan - Excellent Credit (Fixed)
Southern Cross Credit Union	Secured Personal Loan
	Unsecured Personal Loan
St.George	Secured Personal Loan
	Unsecured Personal Loan
Suncorp	Car Loan
	Unsecured Personal Loan

Teachers Mutual Bank	All Purpose Loan
	Car Loan (Variable)
	New Car Loan (Variable)
UniBank	All Purpose Personal Loan
	Car Loan
	Secured New Car Loan
Unity Bank	Car Loan
	Consolidator Loan
	Personal Loan
Westpac	Car Loan
	Personal Loan
Wisr	Unsecured Personal Loan