

Mozo Experts Choice Research Report

Product Category:
Australia's Best

June 2016



Background to the Mozo Experts Choice Awards

The Mozo Experts Choice Awards are an initiative from Mozo that recognises Australia's best value financial products and helps Australians to save money by choosing better products.

Experts Choice awards for single products - such as Home Loans, Credit Cards, etc - are awarded throughout the year to the top 10% of products that meet the selection criteria in each awards category. Products are awarded on the basis of an objective calculation of the cost or benefit to the consumer, based on interest rate and fee data held by Mozo. Up to 10 individual products are awarded in each category and a separate award is given to the top major bank with a product in that category. Mozo gives a top major bank award for the benefit of consumers that are interested in comparing the products of major banks only.

Experts Choice Australia's Best awards and **Experts Choice Overall Value** awards are awarded to financial product providers as opposed to specific products. The awards aim to recognise banks and credit unions whose products have enjoyed success in the Experts Choice awards over the previous 12 months.

Experts Choice New Product awards are given to products launched in the previous 12 months that brought something innovative or different to the marketplace.

Further information about our awards methodology can be found below.

Experts Choice - Australia's Best Award Methodology

What institutions do we consider?

Mozo assessed 118 providers, of which 68 had won at least one Experts Choice award in the period June 2015 to May 2016.

We aim to include most significant institutions in the market, either due to size of institution or prominence of brand, in the Mozo Experts Choice Awards. However, not every provider will be included in our review, nor do we compare every product or every factor that may be relevant to an individual when choosing a banking provider.

How do we calculate the winners of Australia's Best and Overall Value awards?

The Experts Choice Australia's Best awards aim to recognise banking providers that have had success in the product-specific Experts Choice Awards over the previous 12 months in relation to awards given in different product areas.

Throughout the year, Mozo has given awards to products in many different product areas including everyday products such as transaction accounts, high value products such as home loans, and specific needs products like travel money and children's savings accounts.

In order to compare the winners of different products and identify the overall winner, product awards were grouped together into award categories, and then a number of points was assigned to the providers that won an award in each category. The number of points available in each category was chosen to place emphasis on the products that are more commonly held (such as everyday transaction accounts) or have a high dollar value (for example a home loan award was given more points than a travel card award) .

The points system used in these awards is shown in Table 1. As indicated in Table 1, when a provider won a second award in a category they received fewer points, and a third or subsequent

award in the same category did not receive any additional points. This is to place more emphasis on providers who won awards in a broad range of categories, as opposed to lots of awards in few categories.

The product categories and points weightings were tested to ensure that results were not unduly sensitive to any one factor in the scoring process.

The 9 providers with the highest points using this points system were deemed by Mozo to have won enough awards across a wide enough range of product areas to justify recognition in the Australia's Best Awards. All providers outside the top 9 were judged to have won too few awards, awards in too few categories or too few awards in important areas.

Within the Top 9, an Australia's Best award was given to the highest-ranked provider of each of the following provider types:

- **Australia's Best Bank**
- **Australia's Best Mutual Bank**
- **Australia's Best Credit Union**
- **Australia's Best Online Bank**

The remaining 5 providers from the Top 9 were given an award to reflect their high level of achievement in the year's awards. This award is the Experts Choice award for:

- **Overall Value.**

In the case of Major Banks, a slight variation was required so that there were three ways a bank could earn points: (i) for having won an Experts Choice award that was open to all providers, (ii) for having won an Experts Choice award for which only Major Bank products were eligible, and (iii) if none of the Major Banks achieved either of those in a product area we gave points to the major bank with the highest-ranked product at the time. The same categories and points weightings were applied to the tallies. We also considered adding additional points to place more emphasis on awards from group (i), but this would not have altered the result.

After collating all of the points for each major bank, the best-ranked major bank from this process was awarded:

- **Australia's Best Major Bank.**

Table 1 - Award categories and weighting factors

CATEGORY	EXPERTS CHOICE AWARDS INCLUDED IN THIS CATEGORY	POINTS FOR AWARDS IN THIS CATEGORY	
		for 1st award	for 2nd award
Bank Accounts	Fee Free Bank Account	4	4
Home Loans - core	Variable Home Loan		
	Fixed Home Loan		
	Offset Home Loan	3	1
	Home Loan Package		
Home Loans - niche	First Home Loan		
	Variable Investor Loan	1	0
	Fixed Investor Loan		
Credit Cards - cost of debt	Low Rate Credit Card		
	Fee Free Credit Card	2	0
Credit Cards - rewards & prestige	Rewards Credit Card - American Express		
	Rewards Credit Card - Visa		
	Rewards Credit Card - MasterCard		
	Premium Rewards Credit Card - American Express	2	1
	Premium Rewards Credit Card - Visa		
	Premium Rewards Credit Card - MasterCard		
	Platinum Credit Card		
Personal Loans	New Car Loan		
	Used Car Loan		
	Secured Personal Loan	2	1
	Unsecured Personal Loan		
	Personal Line Of Credit		
Savings accounts	Personal Savings Account - Base Rate		
	Personal Savings Account - Introductory Bonus Rate	2	1
	Personal Savings Account - Ongoing Bonus Rate		
Term Deposits	Personal Term Deposit - Short Term		
	Personal Term Deposit - Medium Term	1	1
	Personal Term Deposit - Long Term		

Other	Kids Savings Account - Base Rate		
	Kids Savings Account - Ongoing Bonus Rate		
	Prepaid Travel Card	1	1
	Travel Credit Card		
	Travel Debit Card		
Not included in Australia's Best awards consideration	Smsf Savings Account - Base Rate		
	Smsf Savings Account - Introductory Bonus Rate		
	Smsf Savings Account - Ongoing Bonus Rate		
	Smsf Term Deposit - Short Term		
	Smsf Term Deposit - Medium Term	0	0
	Smsf Term Deposit - Long Term		
	International Money Transfers		
	Travel Insurance		
	Home Lender Of The Year		
	Savings Bank Of The Year		

How do we determine the New Product winners?

As part of our look back at the past 12 months, we also considered all of the products in the Mozo product database that had been launched in that period to see if any were sufficiently innovative or different to warrant recognition. This is a subjective assessment, comparing the pricing and features of new products with those already in the market.

This year we found two products that warranted recognition as being something sufficiently new, and each was awarded an Experts Choice New Product award:

American Express Essential Card

American Express combined their lowest interest rate, the ability to earn rewards points and extended benefits, without an annual fee. The rate is 14.99%, points earning is uncapped and points don't expire, plus there are other benefits including extended warranty, purchase protection, refund protection, and up to \$500 smartphone repair insurance for Apple Pay users.

Macquarie Platinum Transaction Account

Macquarie Bank combined a fee-free bank account with platinum-card-style benefits. There are no account keeping fees, no transaction fees (except when accessing funds overseas) and if at least \$4,000 is deposited in a month there are benefits usually only offered with premium credit cards. These include 90 day theft and damage protection, 24/7 concierge service, emergency travel assistance services, and up to \$500 to cover losses if your wallet or handbag is stolen.

Mozo Experts Choice Awards Australia's Best Award Winners 2016

Table 2 - Award winners

AWARD	WINNERS
Australia's Best Bank	ME
Australia's Best Mutual Bank	Victoria Teachers Mutual Bank
Australia's Best Credit Union	Gateway Credit Union
Australia's Best Online Bank	UBank
Australia's Best Major Bank	nab
Overall Value	Bank Australia
	Citibank
	Greater Bank
	HSBC
	P&N Bank
New Product	American Express Essential Card
	Macquarie Platinum Transaction Account

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 helped consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that covers the retail banking market, general insurance, life insurance, business banking 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 experience in financial services 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 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 managing product data at other financial comparison sites before Mozo. Peter is also a Responsible Manager for Mozo’s Australian Financial Services Licence.

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 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.

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

A provider 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 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

All providers considered in the Experts Choice Australia's Best awards.

28 Degrees	Coles
act.	Commonwealth Bank
Adelaide Bank	CommSec
American Express	Community First Credit Union
AMP	Community Mutual Group
ANZ	Credit Union SA
Arab Bank Australia	CUA
Aussie	David Jones
Australia Post	Defence Bank
Australian Military Bank	Delphi Bank
Australian Unity	DirectMoney
Auswide Bank	Easy Street
B&E Personal Banking	firstmac
Bank Australia	Freedomlend
Bank of Melbourne	G&C Mutual Bank
Bank of Queensland	Gateway Credit Union
Bank of Sydney	GE Money
BankSA	Greater Bank
BankVic	Heritage Bank
Bankwest	homeloan HQ
BCU	Homeloans
Bendigo Bank	Homestar
Beyond Bank	HSBC
Big Sky	Hume Bank
BOQ Specialist	Hunter United Credit Union
Cash Passport	Illawarra Credit Union
Catalyst Money	Illawarra Home Loans
Citibank	IMB Bank
Click Loans	iMortgage
Coastline Credit Union	ING DIRECT

Jetstar
Liberty
loans.com.au
Macquarie
Maitland Mutual Building Society
Maritime, Mining & Power Credit Union
ME
MoneyPlace
Mortgage House
My Credit Union
Myer
MyState
NAB
nabtrade
Newcastle Permanent
Northern Inland Credit Union
NRMA
P&N Bank
People's Choice Credit Union
Police Bank
Police Credit Union
Qantas Frequent Flyer
QPCU
QT Mutual Bank
Quay Credit Union
Qudos Bank
Queensland Country Credit Union
Queenslanders Credit Union
RAA
RaboDirect
RACQ
RACV
RAMS
Ratebusters