



Mozo Banking Roundup

October 2020

A summary of the key changes to pricing & offers in the past month, and the current price leaders, in Australian consumer banking.



The RBA seems set to trim the cash rate next week, but lenders aren't waiting to see if that happens and are getting on with cutting **Home Loan** rates.



Many new and improved offers for **Credit Cards** this month, bonus points galore, improved BT's, and some new cash incentives.



Some **Personal Loan** rates were cut, mostly fixed, and mostly car loans. But one of the major banks launched a discounted rate on its unsecured option.



At Call Deposit rates just keep on falling with a huge number subject to cuts in October, including from all of the major banks, along with several neobanks and some previous rate leaders.



No let up for **Term Deposits** either - the top rate tracked in our database for less than 1 year is 16bp lower than last month at 1.21% and the average 12 month rate dropped 7bp to 0.77%.

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Home Loans

The RBA is set to meet again on Tuesday and it seems odds on that we will have another Melbourne Cup day rate cut. Lenders aren't waiting to see the outcome of that meeting, instead stoking competition for customers with ever falling home loan rates. If the cash rate is cut by 15bp, it will be fascinating to see how many lenders take the plunge to push headline rates below the magic 2.00% mark.

Variable Rates

86 400 made a 10bp cut to its variable owner occupier rates, and 20bp cut to its variable investor rates. Its Own Home Loan rate for an owner occupier at 80% LVR is now 2.64% (2.92% comparison rate*)

Commonwealth Bank withdrew the 2 and 4 year introductory rate offers on its Extra Home Loan this month, with ongoing rates now starting from 2.69% (2.70% comp rate*).

CUA made cuts of 18-25bp to its Achieve Variable Home Loans suite. Its headline for this suite is now 2.55% (2.60% comp rate*).

ING reduced selected investor rates by 50bp. Its packaged Orange Advantage product now available for investment loans from 2.74% (3.09% comp rate*).

Macquarie cut 10bp off all of its variable home loan options, with the leading rate now 2.49% (2.76% comp rate*) on its Basic Home Loan.

St.George Group made further reductions to its Basic Home Loan Special Offer. For owner occupiers with an LVR less than 60%, a 2.49% (2.51% comp rate*) is now available.

Tic:Toc cut 20bp off its headline owner occupier rate, now 2.19% (2.20% comp rate*) for owner occupiers up to maximum 90% LVR.

Fixed Rates

BankVic reduced its owner occupier fixed lending options between 11 and 35 basis points, pricing its 2 year fixed packaged at 2.15% (3.78% comp rate*), now the third lowest rate in the Mozo database for similar products.

Along with making reductions to variable rates **Citi** cut its 3 and 5 year term fixed rates (10bp and 20bp), now 2.09% (2.94% comp rate*) for 3 year and now leading with 2.39% (2.97% comp rate*) for 5 year terms.

ING cut 45bp off its investment 2 and 3 year fixed rates, both now 2.49% (4.38% and 4.20% comp rates* respectively).

P&N Bank made fixed rates cuts to both its owner occupier and investor fixed rates during October. Its investor fixed rates were cut between 26 and 61bp for all available terms, while its owner occupier rates received a 101bp reduction to 1 year term only, pricing them below 2% at 1.99% (3.70% comp rate*).

Qudos Bank cut its entire fixed suite by 10bp, with its most competitive offerings dropping to 2.19% (3 year fixed, owner occupied, 2.79% comp rate*).

Market Snapshot

Major Banks	Basic Variable, Owner Occupier, 80% LVR	Variable Rate	Comparison Rate*
ANZ	Simplicity PLUS	2.72%	2.76%
CommBank	Extra Home Loan	2.69%	2.70%
NAB	Base Variable Rate Home Loan	2.69%	2.69%
Westpac	Flexi First Option Home Loan	2.79%	2.80%

Major banks	Best package variable rates, Owner Occupier	Variable Rate	Comparison Rate*
ANZ	Over \$500,000 (LVR<80%)	3.49%	3.91%
CommBank	Over \$750,000 (LVR<95%)	3.85%	4.27%
NAB	Over \$750,000 (LVR<95%)	3.62%	4.03%
Westpac	Over \$150,000 (LVR<70%)	3.19%	3.60%

Current Rate Leaders		Variable Rate	Comparison Rate*
Owner Occupier	Well Home Loans Well Balanced Variable	2.17%	2.20%
Investor	homeloans.com.au Low Rate Home Loan	2.54%	2.56%

Major banks	Best package fixed rates, Owner Occupier (comparison rate*)				
	1 year	2 years	3 years	4 years	5 years
ANZ	2.39% (4.16%)	2.29% (4.02%)	2.29% (3.89%)	2.69% (3.90%)	2.69% (3.82%)
Commbank	2.29% (4.13%)	2.29% (3.99%)	2.29% (3.87%)	2.99% (3.98%)	2.99% (3.93%)
NAB	2.29% (4.17%)	2.19% (4.02%)	2.29% (3.91%)	2.79% (3.95%)	2.79% (3.87%)
Westpac	2.29% (3.61%)	2.29% (3.53%)	2.29% (3.45%)	2.79% (3.54%)	2.79% (3.51%)

Current Rate Leaders	Fixed Rate	Comparison Rate	
1 Year Fixed	Reduce Home Loans	1.90%	2.43%
2 Years Fixed	Illawarra Credit Union	1.99%	2.93%
3 Years Fixed	Bank First	1.99%	3.10%
4 Years Fixed	BankVic	2.49%	2.88%
5 Years Fixed	Citi	2.39%	2.97%

*WARNING: This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan. The comparison rate displayed is for a secured loan with monthly principal and interest repayments for \$150,000 over 25 years.



Credit Cards

Plenty of Credit Card offers being adjusted lately with long balance transfer periods and swags of bonus points available on a large number of cards. There's also a new low purchase rate available at just 5.95%, albeit for a limited time.

American Express is now offering \$150 cash back on its Platinum Edge card for customers that apply by 2 November and spend \$1,500 in the first 3 months. The Qantas Premium Card now offers 100,000 bonus points along with 50 status credits for new customers that spend at least \$3,000 in the first 3 months, up from 30,000 bonus points previously.

ANZ's Low Rate credit card had its 0% BT period increased from 22 to 25 months (1.5% fee). The bank has also adjusted bonus point offers on a number of cards. The Frequent Flyer Black now offers 120,000 bonus Qantas points and \$200 cash back, up from 100,000 points and \$150 cash back. The Frequent Flyer Platinum now pays 120,000 bonus Qantas points and \$150 cash back versus 60,000 Qantas points and first year fee waiver previously. The Rewards Black card bonus Rewards points were cut from 150,000 to 130,000, but gained a cash back of \$150. The Rewards Platinum card not only had bonus Rewards points boosted from 60,000 to 100,000 but also gained a \$50 cash payment. Minimum spend criterias apply.

Bendigo Bank replaced the 0% for 6 months BT rate on its Low Rate Credit Card with a 0% for 15 months purchase rate offer. The first year fee waiver has been removed.

Commonwealth Bank removed the 0% for 15 months introductory purchase rate on the Gold versions of its Low Rate and Low Fee cards, now offering a 0% BT period for 15 months on all Low rate and Low Fee card options.

Greater Bank has slashed the purchase and cash advance rates on its Visa Credit Card from 11.95% to just 5.95%, making it the lowest credit card rate tracked in the Mozo database. This offer is available until 31 March 2020, after which the interest rate is set to increase to 9.95%.

Qantas Money has adjusted bonus points on both of its cards. The Qantas Premier Everyday now offers 20,000 points instead of 5,000 with the minimum spend criteria at \$3,000 over 3 months instead of \$1,000 over 5 months. The Qantas Premier Platinum now offers 100,000 bonus points when \$4,000 is spent in the first 3 months, instead of 80,000 points initially plus 20,000 points each month for 4 months when at least \$1,500 is spent.

The **St. George group** increased the 0% BT rate on its Amplify Platinum with Qantas Frequent Flyer rewards from 13 to 20 months (1% fee). The card also had its bonus points increased from 60,000 to 70,000, with the spend criteria changed from \$2,000 in total over the first 90 days, to \$1,500 for each of the first 3 months.

Virgin Money's No Annual Fee Card now has a 0% for 12 months purchase rate. The Velocity Flyer Card was relaunched after being temporarily removed for new applicants with an offer of 20,000 points for each of the first 3 months that \$1,500. The Velocity High Flyer Card is also now available to new customers with 20,000 bonus points for each of the first 3 months where \$3,000 or more is spent.

Market Snapshot

Summary of card offers

ANZ

- 0% for 17 months on purchases on Platinum.
- \$0 first year annual fee on Low Rate, Platinum, Rewards Platinum.
- 0% for 18 months BT (+2% fee) on First.
- 0% for 25 months BT (+1.50% fee) on Low Rate.
- Offers between 50k and 130k bonus points on Rewards and 25k to 120k on Frequent Flyer.

CommBank

- 5.99% for 5 months BT on all cards.
- 0% for 15 months purchase rate on Low Fee, Low Fee Gold, Low Rate and Low Rate Gold cards.
- \$0 first year annual fee on Low Fee, Low Fee Gold cards and if spend \$1,000 p.a (\$10,000 p.a. for Gold).
- Offers between 80k and 100k bonus points on Awards cards.

NAB

- 0% for 6 months BT (+2% fee) on all cards.
- 0% for 20 months BT (+2% fee) on Low Rate Card.
- Offers between 30k and 130k bonus points on Qantas and Rewards cards.

Westpac

- 0% for 20 months BT (+1% fee) on Low Rate.
- \$200 cashback on Low Rate with a minimum \$1,000 spend.
- 0% for 15 months and 0% for 6 months BT on Low Fee.
- 0% for 18 months BT (+1% fee) on Altitude Platinum.
- Discounted \$99 first year annual fee on Altitude Platinum
- 60k Frequent Flyer or 80k Altitude bonus points on Altitude Platinum, 120/150k on Altitude Black.

Top offers

0% Balance Transfer	Citi Rewards - BT offer	30 months (1.5% fee)
0% Introductory Purchase Rate	ANZ Platinum	17 months
Lowest Purchase Rate	Greater Bank Greater Visa	5.95%
Introductory Bonus Points	St. George Group Amplify Signature Qantas Money Premier Titanium Westpac Altitude Black	200,000 Amplify 150,000 Qantas 150,000 Altitude

Personal Loans

Only a small number of changes to Personal Loans in the last month. It's interesting to note that the majority were applied to fixed rate options.

Commonwealth Bank introduced a 200bp discount on its fixed Unsecured Personal Loan, now 9.50% (10.40% comp rate).

IMB Bank reduced its fixed Car Loan rate by 46 bp to 4.99% (5.34% comp rate).

Queensland Country Bank withdrew its New Car Loan offer of 2.99% variable (3.60% comp rate*) rate which was previously the lowest secured personal loan rate in the Mozo database.

The **St. George Group** ended the special on its fixed rate Unsecured Personal Loan, the rate going back up 150bp to 11.49% (12.57% comp rate*).

Suncorp ceased offering the variable rate option on its Unsecured Personal Loan, now available with only a fixed rate.

Teachers Mutual Bank and its brands dropped the fixed rate on its Car Loan by 146bp to 4.99% (5.13% comp rate*) for terms of three or more years.

Market Snapshot

Major Banks	Product	Headline Rate	Comparison Rate*
ANZ	Unsecured Loan	10.50% fixed	11.38%
CommBank	Car Loan Unsecured Loan	6.99% fixed 9.50% fixed (3 year)	8.05% 10.40%
NAB	Unsecured Loan	12.69% var/fixed	13.56%
Westpac	Car Loan Unsecured Loan	7.49% fixed 11.99% fixed	8.68% 13.15%

	Current Rate Leaders	Headline Rate	Comparison Rate*
Unsecured	Aust Military Bank Personal Loan - Excellent Credit	4.85% variable/fixed	5.71%
Secured	Aust Military Bank Car Loan - Excellent Credit	3.60% variable	4.48%

*WARNING: The Comparison Rate combines the lender's interest rate, fees and charges into a single rate to show the true cost of a personal loan. The comparison rates displayed are calculated based on a loan of \$30,000 for a term of 5 years, based on monthly principal and interest repayments, on a secured basis for secured loans and an unsecured basis for unsecured loans. This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.

At-Call Deposits

With household savings going through the roof there's little need for banks to compete for retail deposits. This is reflected in another month of deep cuts, including from all major banks and most neo's.

86 400 reduced the ongoing bonus rate on its Save Account by 25bp, now 1.35%, and the account's base rate by 5bp to 0.10%.

ANZ cut both its ongoing and introductory bonus rates by 15bp. The Progress Saver ongoing bonus rate is now 0.70% and the Online Saver introductory rate is now 0.65%.

Commonwealth Bank cut the introductory rate by 15bp on its NetBank Saver from 0.90% to 0.75%. It also reduced the higher balance tier on the ongoing bonus rate of the GoalSaver account, the same 15bp cut to 0.75% for amounts over \$50,000.

Hume Bank dumped its iSave account 0.70% ongoing bonus rate, now offering an unconditional rate of 0.65%.

ME made another cut to its Online Savings Account rate, this time down 20bp to 1.35%.

NAB cut the ongoing bonus rate on its Reward Saver by 10bp to 0.70%, and introductory bonus rate on its iSaver by 10bp to 0.75%.

UBank dropped its ongoing bonus rate by 14bp to 1.46%.

Volt Bank cut its savings rate by 20bp to 1.25% and **Xinja** cut its rate by 15bp to 1.50%.

Westpac cut both its headline rates by 10bp, making the Life ongoing bonus rate and eSaver into rate now both 0.75%.

Market Snapshot

Major Banks		Current Rate
ANZ	Progress Saver	0.70% ongoing bonus
	Online Saver	0.65% intro for 3 months
CommBank	Goalsaver	0.50% ongoing bonus
	NetBank Saver	0.75% intro for 5 months
NAB	Reward Saver	0.70% ongoing bonus
	iSaver	0.75% intro for 4 months
Westpac	Life	0.75% ongoing bonus
	Life (under 30)	3.00% ongoing bonus
	eSaver	0.75% intro for 5 months

Current Rate Leaders		Rate	Condition
Ongoing Bonus	Up Saver Account	1.60%	5 transaction account purchases/month, otherwise 0.25%
Intro	Rabobank High Interest Savings Account	2.00%	for 4 months, then 0.55%
Base Rate	Macquarie Savings Account	1.35%	Unconditional, up to \$1mil

* rate tables based on an account balance of \$10,000

Term Deposits

We recorded term deposit cuts from 57 deposit taking institutions during the month of October, with the average 12 month term slipping again from 0.84% to 0.77%.

Action from the Big 4 included **ANZ** cutting selected terms 5 to 25bp, **Commonwealth Bank** reducing 10 to 35bp across most terms, **NAB** slicing 5 to 10bp across all offerings, and **Westpac** cutting 10 to 20bp across the board too.

Noteworthy reductions across most available terms from the rest of the market include: **Auswide** (10-15bp), **Bank of Queensland** (10 to 30bp), **Bankwest** (25-40bp), **bcu** (5-25bp), **Goldfields Money** (15-35bp), **P&N Bank** (5-25bp), **Suncorp** (5-30bp), **St.George Group** (5-25bp), and **UBank** (20-25bp).

While **HSBC** did make reductions to its short term offerings (less than 12 months) by 5 to 10bp, it did however, increase its 2, 3, 4 and 5 year terms by 20bp, now priced between 0.65% and 0.80% paid annually.

Market Snapshot

Major Banks	Less than 12m	12 Months	24 Months	36 Months
ANZ	0.75% (10m)	0.70%	0.75%	0.75%
CommBank	0.45% (10m)	0.65%	0.55%	0.60%
NAB	0.50% (7 to 11m)	0.60%	0.70%	0.70%
Westpac	0.60% (6m)	0.60%	0.60%	0.60%

Current Rate Leaders		Rate
Less than 12 Months	BankVic (9 months)	1.21%
1 Year	Judo Bank	1.23%
2 Years	Judo Bank	1.45%
3 Years	Judo Bank	1.55%
4 Years	Judo Bank	1.30%
5 Years	Judo Bank	1.35%

* rate tables based on a deposit of \$25,000

Mozo Banking Roundup

The content of this report is produced using Mozo's extensive database of banking products, which is updated every day.

If you'd like access to more detailed information, please contact us at data.services@mozo.com.au

Important Information

Product details in the Market Snapshot are as at the end of the month and product changes referred to are changes since the start of the month, unless otherwise specified.

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