



Mozo Banking Roundup

February 2021

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



Competition continues to run hot for fixed rate **Home Loans**, but some lenders also made cuts to their variable rates last month. The best 1 year fixed rate is 20bp lower than it was a month ago.



Credit Card offers were adjusted last month but no changes to key rates or fees were reported.



A major bank is taking expressions of interest in a **Personal Loan** with a rate of just 0.99%, although it's only for home loan customers who have a home loan with them making green improvements to their home. A second tier bank withdrew from the personal loan market altogether.



We're wondering just how low **At Call Deposit** rates are set to go after witnessing a former rate leader slashing its conditional bonus to just 0.15%, barely more than its 0.10% base rate.



Term Deposit rates also continue to fall - comparing rates for a 1 year investment with a year ago the average is 87bp lower and the top rate is 95bp lower.

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Home Loans

February was a quieter month on the home loan rate front, but there were still lenders cutting both variable and fixed rates, with fixed rates attracting the most attention. The best variable rate in Mozo's database is 1.99% while fixed rates now start at or below that rate for every term. The lowest 1 year fixed rate is now 1.69%, 20bp lower than it was last month.

Variable Rates

CUA cut rates on its Accelerate Variable Home Loan by 20bp. The owner occupier P&I rate is now 2.94% (2.99% comp rate*).

Heritage Bank trimmed its Discount Variable Home Loan rates by 9bp, now starting from 2.59% (2.99% comp rate*) for owner occupiers making P&I repayments.

IMB Bank adjusted its range of variable rate home loans downwards by 3-20bp. Its Budget Home Loan offering is now 2.58% (2.64% comp rate*) for owner occupiers, with an LVR of 80% or less.

HSBC reduced its variable home loan rates by between 10 and 31bp. The lowest rate on offer now is its Home Value Loan at 2.44% (2.45% comp rate*) for owner occupiers making P&I repayments which is 15bp lower than before.

Fixed Rates

ANZ introduced LVR tiers and cut packaged fixed rates across the board by 5bp, its headline rate now 2.04% fixed for 3 years (3.83% comp rate*) for owner occupiers.

Greater Bank made cuts to both 1 year (20bp) and 2 year (10bp) fixed rate options across its product suite. Its lowest offering is now just 1.69% fixed for 1 year (3.49% comp rate*) as a part of the Discount Great Rate Home Loan.

HSBC decreased its headline packaged 1, 2 and 3 year fixed rates for owner occupiers by 10 to 21bp. Its 2 year rate is now priced at 1.88% (2.86% comp rate*).

ME cut its 2 and 3 year fixed rates for owner occupiers by 20 and 10 basis points respectively. Under its package offering, 2 year rates are now available for 1.99% (3.33% comp rate*).

NAB reduced most fixed rate terms by 5-55bp with the biggest cut to the 5 year term Owner Occupier Principal & Interest rate, now at 2.24% (3.66% comp rate*).

The **St.George** group increased its 5 year fixed rates by 50bp for owner occupiers, now starting from 2.69% (3.39% 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 (\$400,000 80% LVR)		Variable Rate	Comparison Rate*
Owner Occupier	Reduce Home Loans Super Saver Variable	1.99%	2.08%
Investor	Tic:Toc Variable Home Loan	2.33%	2.34%

*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.

Major banks	Best package fixed rates, Owner Occupier (comparison rate*)				
	1 year	2 years	3 years	4 years	5 years
ANZ	2.04% (3.77%)	2.04% (3.65%)	2.04% (3.54%)	2.24% (3.49%)	2.24% (3.41%)
CommBank	2.19% (4.12%)	2.14% (3.97%)	2.14% (3.11%)	1.99% (3.66%)	2.99% (3.93%)
NAB	2.09% (4.16%)	2.04% (3.99%)	1.98% (3.83%)	1.98% (3.69%)	2.24% (3.66%)
Westpac	2.09% (3.60%)	2.09% (3.50%)	2.09% (3.41%)	1.99% (3.29%)	2.29% (3.32%)

Current Rate Leaders (\$400,000 80% LVR)		Fixed Rate	Comparison Rate*
1 Year Fixed	Greater Bank	1.69%	3.50%
2 Years Fixed	Greater Bank RACQ Bank Suncorp Tic:Toc	1.89%	3.37% 3.67% 2.93% 2.15%
3 Years Fixed	UBank	1.75%	2.20%
4 Years Fixed	Bank of Melbourne St.George	1.94%	3.21% 3.21%
5 Years Fixed	Aussie	1.99%	2.37%

Credit Cards

A mixed bag of changes to offers for Credit Cards this month with some being improved while others have been reduced.

American Express dropped the bonus points available on its Qantas Premium Card from 80,000 to 30,000 and the Platinum Edge Card from 100,000 to 50,000 which now comes with a \$195 credit.

ANZ cut the 0% BT period on its Low Rate Card from 25 to 20 months and removed the 1.5% balance transfer fee.

Bendigo Bank added a balance transfer offer to its Low Rate Credit Card of 0% for 18 months, replacing the 0% for 15 months introductory purchase rate offer.

Coles increased the interest free balance transfer period on its Low Rate Mastercard from 6 to 15 months.

Commonwealth Bank removed the 0% purchase rate for 15 months offer from the Low Fee, Low Fee Gold and Low Rate Gold cards and introduced a \$200 cashback offer on the Low Fee Gold card with a \$1,000 minimum spend required.

Community First now has a 0% for 6 months balance transfer period on its Low Rate Credit Card.

Kogan Money cut the 0% balance transfer period on its Black Card from 18 to 12 months and reduced the \$500 sign up credit to \$300.

The 20,000 bonus points on **Qantas Money's** Qantas Premier Everyday card has been replaced with an offer of 3 bonus points for every dollar spent on eligible purchases for the first 6 months, up to a total of 27,000 bonus Qantas Points.

Market Snapshot

Top offers		
0% Balance Transfer	Citi Rewards - BT offer	30 months (no BT fee)
0% Introductory Purchase Rate	ANZ Platinum	17 months
Lowest Purchase Rate	G&C Mutual Low Rate Visa	7.49%
Introductory Bonus Points	St. George Amplify Signature Qantas Money Premier Titanium Westpac Altitude Black	200,000 Amplify 150,000 Qantas 150,000 Altitude

Summary of Big 4 card offers

ANZ

- 0% for 17 months on purchases on Platinum.
- \$0 first year annual fee on Low Rate, Platinum.
- 0% for 18 months BT (+2% fee) on First.
- 0% for 20 months BT on Low Rate.
- Offers between 40k and 130k bonus points on Rewards and 25k to 120k on Frequent Flyer.

CommBank

- 5.99% for 5 months BT on all cards excluding Essentials.
- 0% for 15 months purchase rate on the Low Rate card.
- \$0 first year annual fee on Low Fee, Low Fee Gold cards with a spend of \$1,000 p.a or \$10,000 p.a. for Gold.
- \$200 cashback on the Low Fee Gold card.
- 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 60k and 120k bonus points on Rewards and 30k to 130k Qantas cards.

Westpac

- 0% for 24 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.

Personal Loans

Relatively minor adjustments to Personal Loan pricing in the last month, although the St George group is running a sharp fixed rate offer for the next couple of months, and CommBank announced a new rate of just 0.99%.

Commonwealth Bank is taking registrations of interest for a new Green Loan. Priced at just 0.99% (both headline and comparison rates) it is a fixed rate only available to CommBank customers with an eligible home or investment loan who are looking to buy specified small scale renewables such as solar panels, battery packs and EV charging stations. The loan is secured by the same property used to secure the existing home loan, and can be for up to 10 years for amounts up to \$20,000.

Credit Union SA increased rate on its secured Online-only Special Fixed Rate Personal loan by 26bp to 4.25% (4.73% comp rate*).

St George (along with BankSA/Bank of Melbourne) reduced the fixed rate on its Unsecured Personal Loan by 150bp to 9.99% (11.08% comp rate*). This discount is scheduled to end on 15 April 2021. The variable rate for the same loan is 12.99% (14.06% comp rate*).

Suncorp announced that it was simplifying some areas of its business to focus more on home lending, including withdrawing from the personal loan market.

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	5.35% variable/fixed	6.21%
Secured	loans.com.au Clean Green Car Loan	3.97% fixed	4.51%

*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

At Call Deposit rates just keep on falling with rate changes applied to 37 different accounts in the past month alone, all of them cuts. In some cases, conditional bonus rates are now barely better than base rates.

ANZ cut 10bp from the bonus rates of its savings accounts, now with a 0.35% introductory rate for the Online Saver, and 0.40% ongoing conditional bonus for the Progress Saver Accounts.

Commonwealth Bank cut 10bp from the Youthsaver bonus rate, now 0.60%, and 10bp from the Goal Saver bonus rate, now 0.35%.

HSBC cut the ongoing bonus rate on its Flexi Saver by 60b, now just 0.25%.

Macquarie cut the 4 month introductory rate from 1.35% to 1.10% on its Saving Account, and the base rate 1.20% to 0.95%. The base rate was formerly the market leading unconditional rate.

ME trimmed its Online Savings Account ongoing bonus rate by 10bp, now 1.10%.

NAB cut both of its bonus rates by 15bp taking the ongoing bonus on its Rewards Saver down to 40bp and the introductory rate on its iSaver to 0.45%.

The **RAMS** Saver Account bonus rate was slashed by 40bp to just 0.15%, not much more than its base rate of 0.10%.

Market Snapshot

Major Banks		Current Rate
ANZ	Progress Saver	0.40% ongoing bonus
	Online Saver	0.35% intro for 3 months
CommBank	Goalsaver	0.35% ongoing bonus
	NetBank Saver	0.40% intro for 5 months
NAB	Reward Saver	0.40% ongoing bonus
	iSaver	0.45% intro for 4 months
Westpac	Life	0.40% ongoing bonus
	Life (under 30)	3.00% ongoing bonus
	eSaver	0.40% intro for 5 months

Current Rate Leaders		Rate	Condition
Ongoing Bonus	ING Savings Maximiser	1.35%	Min deposit \$1,000, 5 debit card transactions.
Intro	Rabobank High Interest Savings Account	1.75%	for 4 months, then 0.30%
Base Rate	Volt Savings Account	1.00%	Unconditional

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

Term Deposits

Similar to at call deposit rates, Term Deposit rates continue to edge lower, with cuts from 34 providers helping to drive the 12 month average down 2bp to 0.56%. One year ago the average 1 year rate was 1.43% and the top rate for the term was 2.00%.

During February, **ANZ** cut term deposit rates by 5-20bp, the highest available now 0.30% on its Advance Notice Term Deposit product, **Commonwealth Bank** eased most rates on offer by 10bp, and **NAB** cut all terms 5 to 15bp. **Westpac** increased its 12 month offering by 20bp to 0.40%, before lowering it again to 0.35%.

Noteworthy cuts from the remainder of the market include: **Australian Military Bank** (15-25bp terms less than 12 months), **Bank Australia** (10-20bp), **Bendigo Bank** (5-15bp), **Heritage Bank** (10bp), **Macquarie** (5-10bp), **Newcastle Permanent** (5-15bp), **Police Bank** (10bp) and **UBank** (10bp).

Market Snapshot

Major Banks	Less than 12m	12 Months	24 Months	36 Months
ANZ	0.25% (7 to 11m)	0.30%	0.30%	0.30%
CommBank	0.15% (9 to 11m)	0.35%	0.25%	0.25%
NAB	0.30% (7 to 11m)	0.30%	0.30%	0.30%
Westpac	0.25% (10 to 11m)	0.35%	0.25%	0.25%

Current Rate Leaders		Rate
Less than 12 Months	Judo Bank (9 months)	0.91%
1 Year	BankVic	1.05%
2 Years	Judo Bank	1.20%
3 Years	Judo Bank	1.15%
4 Years	Judo Bank	1.10%
5 Years	Judo Bank	1.20%

* 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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