

MEDIA RELEASE



Sydney: 14 January 2008

Account Switching

The Australian Payments Clearing Association today provided a progress report on its public consultation on *Aspects of Account Switching*.

The paper (available at www.apca.com.au), which was released in mid-September, sought views on whether direct entry arrangements impede consumers from switching financial institution accounts and asked for feedback on various options that might address this problem.

APCA received and considered a total of 11 responses to its consultation paper. The submissions are publicly available on APCA's website, with the exception of those that have requested confidentiality. All of the submissions have indicated some degree of interest in improving the convenience for consumers switching their financial institution accounts.

"In practical terms, APCA is looking at ways to reduce the inconvenience of changing transactional accounts: i.e. cheque or savings accounts," said APCA's Chief Executive Officer Chris Hamilton.

"This is the one you use to pay your periodical bills (like rates, insurance etc.) and make and receive regular payments. Standing debits and credits need to be changed when you change accounts, and people can find that a hassle," Mr Hamilton added.

"If as an industry we can simplify this process, it will be easier for people to change banking services. This is consistent with the industry's overall commitment to healthy competition," said Mr Hamilton.

A working group, comprising representatives of account-keeping financial institutions, meets later this month to continue detailed feasibility work.

"Addressing this issue could well affect every account-keeping institution in Australia and thousands of billing institutions. We need to make sure any chosen option delivers a good result for consumers and businesses within a reasonable timeframe and an acceptable cost for everyone. We will press on with this as fast as we can," said Mr Hamilton.

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Further information

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About Australian Payments Clearing Association (APCA)

APCA is the Australian payment industry's principal self regulatory body. It is the primary vehicle in Australia for payments industry collaboration, with a mandate to improve the safety, reliability, equity, convenience and efficiency of the Australian payments system. APCA's role is to manage and develop regulations, procedures, policies and standards governing payments clearing and settlement within Australia. It has around 80 members comprising the Reserve Bank, banks, building societies, credit unions and other participants in its five payment clearing systems. These systems cover: cheques and other paper based payment instruments; direct entry (credit and debit payments); EFTPOS and ATM transactions; trading and distribution of bulk notes and coin between banks; and settlement of high value, real-time payments between financial institutions. More than 98% of Australia's non-cash retail payment values are cleared through APCA's five payment clearing systems.

View APCA's 2007 Annual Review online at www.apca.com.au