



Press release

For immediate release

May 6, 2014

Michelle Hutchison
Head of PR & Money Expert
finder.com.au
+61403 192 994
+61 2 9299 7602
Michelle@finder.com.au

Don't hold your breath: big banks slower to pass on cash rate cuts

- Investigation by finder.com.au shows big 4 banks take almost double the time to pass on rate cut compared to rate rise
- Six lenders so far announce rate cuts including ANZ and Commonwealth Bank
- Borrowers urged to compare home loan providers to avoid delayed rate cuts

May 6, 2014, SYDNEY – A new investigation by one of Australia's biggest comparison websites finder.com.au¹ has found that Australia's big banks are quicker to pass on rate hikes compared to rate cuts.

The research compared the number of days it took ANZ, Commonwealth Bank, National Australia Bank and Westpac to pass on the Reserve Bank's rate movements since October 2009.

It found that the big four banks took an average of six days to increase their variable home loan interest rates for the past seven cash rate hikes between October 2009 and November 2010. However, the past nine cash rate cuts from November 2011 to February 2015 saw the major four banks take an average 11 days to pass them on – almost double the time for rate hikes.

According to finder.com.au, the big four banks collectively earn almost \$4 million every day that they don't pass on the rate cut to their variable rate home loan customers².

¹ Experian Hitwise since 2013

² Based on 80% of big four banks' owner-occupied home loans, difference in daily interest earned using current average variable rate of 5.35% compared to 5.10%




Michelle Hutchison, Money Expert at finder.com.au, said the big four banks show a bad example to the rest of the home loan market.

"Despite the fact that they have not passed on all of the full cuts since the Reserve Bank began dropping the cash rate in November 2011, they have taken longer to pass on rate cuts compared to increasing their rates.

"The big four banks hold almost the entire home loan market share, which is over 80 percent of all banks, so they set the benchmark for interest rate decisions. If they aren't playing fair then it sets a precedent to other lenders and the entire financial services industry that this is ok, when it shouldn't be."

Following the latest Reserve Bank cash rate cut yesterday (May 5, 2015), six lenders have so far announced interest rate cuts to their variable rate home loans according to finder.com.au.

Out of the big four banks, ANZ will be passing on the full cut while Commonwealth Bank will be passing on 0.20 of the 0.25 percentage points. Other providers that have already announce rate cuts include ING Direct, loans.com.au, ME Bank and The Mutual.

Lender	Rate cut	Effective date	
ANZ	-0.25%	Friday 8 May	
CBA	-0.20%	Wednesday 13 May	
Firstmac	-0.25%	Saturday 23 May	
ING DIRECT	-0.25%	Friday 15 May	
Loans.com.au	-0.25%	TBC	
ME Bank	-0.25%	Friday 22 May	
The Mutual	-0.25%	Monday 18 May	

Source: finder.com.au, ranked alphabetically. Dates may vary for existing customers.

"While we can't expect the big banks to pass on cuts as fast as they lift their rates, borrowers stand to make a lot more money by comparing lenders online. There's a huge difference in what lenders are offering so if you're sick of waiting for a rate cut, look elsewhere for a better deal."



[finder.com.au](https://www.finder.com.au) will keep a live update of lenders that announce rate changes, their effective dates and rate cuts passed on to customers: www.finder.com.au/rba-cash-rate.

###

For further information:

Michelle Hutchison

Head of PR | Money Expert
finder.com.au
+61403 192 994
+61 2 9299 7602
Michelle@finder.com.au

Bessie Hassan

PR Manager
finder.com.au
+61402 567 568
+61 2 9299 7602
Bessie@finder.com.au

About finder.com.au:

finder.com.au is one of Australia's biggest comparison websites and has helped over 4.8 million Australians find better credit cards, home loans, life insurance, shopping deals and more since 2006. finder.com.au compares 250 credit and debit cards from 31 providers, over 300 home loan products, and information from 13 life insurance providers as well as online shopping promo codes, mobile phone plans, travel insurance and more. One Australian every five minutes is using [finder.com.au](https://www.finder.com.au) or one of its network sites [creditcardfinder.com.au](https://www.creditcardfinder.com.au) and [lifeinsurancefinder.com.au](https://www.lifeinsurancefinder.com.au) to find better (Source: Google Analytics).

Disclaimer:

Hive Empire Pty Ltd (trading as [finder.com.au](https://www.finder.com.au), ABN: 18 118 785 121) provides factual information, general advice and services on financial products as a Corporate Authorised Representative (432664) of Advice Evolution Pty Ltd AFSL 342880. Please refer to our [FSG](#) and [Credit Licence ACL 385509](#). We are also a Corporate Authorised Representative of Countrywide Tolstrup Financial Services Group Pty Ltd. ABN 51 586 953 292 AFSL 244436 for the provision of online travel insurance. We are not owned by any Bank or Insurer and we are not a product issuer or a credit provider. Although we cover a wide range of products, providers and services we don't cover every product, provider or service available in the market. We also don't recommend specific products, services or providers. If you decide to apply for a product or service through our website you will be dealing directly with the provider of that product or service and not with us. We recommend consumers understand the Product Disclosure Statements before deciding if a product is right for them (c) 2013.