



# Bank Fees Class Action Westpac, BNZ and ASB Proceedings Launch

11 February 2014

## What are the fees?

- The fees are Exception/Event based Fees such as:
  - Honour/Account Out Of Order Fees
  - Dishonour Fees
  - Credit card Late Payment Fees
  - Credit card Over Limit Fees
  
- The case does not relate to Monthly Account Fees or Annual Fees

## How much does Westpac Charge?

	Mid-2008	Now
Honour Fee (per event)	\$25.00	N/A
Unarranged Overdraft Fee	N/A	\$15.00
Dishonour Fee (per event)	\$30.00	\$19.00
Credit Card Over Limit (per month)	\$25.00	\$15.00
Credit Card Late Payment (per month)	\$25.00	\$15.00

We say that, on average, these events probably cost the bank no more than a dollar.

## How much does BNZ Charge?

	Mid-2008	Now
Honour Fee (per event)	\$20.00	N/A
Unarranged Overdraft Fee	N/A	\$10.00
Dishonour Fee (per event)	\$35.00	N/A
Credit Card Over Limit (per month)	\$20.00	\$20.00
Credit Card Late Payment (per month)	\$25.00	\$15.00

## How much does ASB Charge?

	Mid-2008	Now
Honour Fee (per event)	\$25.00	\$20.00
Unarranged Overdraft Fee	\$25.00	\$20.00
Dishonour Fee (per event)	\$25.00	\$20.00
Credit Card Over Limit (per month)	\$20.00	\$20.00
Credit Card Late Payment (per month)	\$25.00	\$15.00

# Westpac Example - September 2009

TYPE	NAME OF OTHER PARTY	TRANSACTION PARTICULARS	DATE	MONEY OUT \$	MONEY IN \$	BALANCE \$
			12 Jul		100.00	5.24
DE	██████████	WBC Internet Transfer 10:14-97188	23 Jul	5.00		0.24
	Loan Payment Failed	Insufficient Funds \$533.00	25 Jul	0.00		0.24
	Payment failed fee	1 GP @\$25.00/item	25 Jul	25.00		24.76 OD
	Interest	From 0481 0004503-02	31 Jul	0.75		25.51 OD
	Unarranged Overdraft	From 0481 0004503-02	31 Jul	15.00		40.51 OD
	Account maintenance	From 0481 0004503-02	05 Aug	3.50		44.01 OD
	Transaction charge	2 Transactions 0004503-02	05 Aug	3.00		47.01 OD
CLOSING BALANCE						\$47.01 OD

- Payment failed due to insufficient funds
- \$25 Payment Failed Fee charged, pushes account in to overdraft
- 6 days later, 75 cents interest charged on \$24.76 overdraft caused by fees
- \$15 Unarranged Overdraft fee charged on top of the original fee

## BNZ Example - September 2008

26 Sep	HONOUR FEE 25/09/08 900.00			20.00		
26 Sep	DISHONOUR FEE BANK CHARGES			35.00		
26 Sep	DISHONOUR FEE BANK CHARGES			35.00		3,418.57 OD
30 Sep	HONOUR FEE 29/09/08 DD 22.40			20.00		3,460.97 OD
30 Sep	MONTHLY BANK FEE			5.00		
30 Sep	DEBIT INTEREST			31.50		
30 Sep	O/D FACILITY FEE			5.00		3,502.47 OD
2 Oct	DISHONOUR FEE BANK CHARGES			35.00		
2 Oct	DISHONOUR FEE BANK CHARGES			35.00		2,325.47 OD
3 Oct	LUMLEY FINANCE (N.Z. LUMLEY FIN. 00358850	DD		306.06		2,631.53 OD

- \$180 of Honour and Dishonour fees charged in one week.
- Customer received no benefit from the Dishonour charges; no overdraft payments were made.

## ASB Example - July 2012

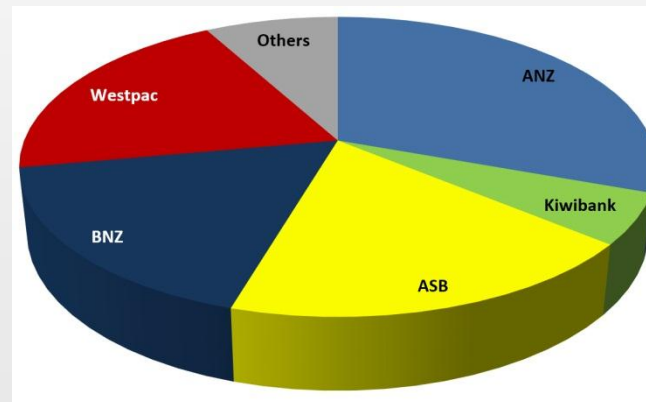
26 Jul 2012	[REDACTED]	\$0.29	\$6.89
27 Jul 2012	[REDACTED]	\$25.00	OD \$18.11
30 Jul 2012	[REDACTED] NOT PAID/P NSF FEE	\$20.00	OD \$38.11
30 Jul 2012	[REDACTED] NOT PAID/P NSF FEE	\$20.00	OD \$58.11
30 Jul 2012	[REDACTED] NOT PAID/P NSF FEE	\$20.00	OD \$78.11
30 Jul 2012	[REDACTED] NOT PAID/P NSF FEE	\$20.00	OD \$98.11
30 Jul 2012	[REDACTED] NOT PAID/P NSF FEE	\$20.00	OD \$118.11

- \$100 of fees charged in one day alone!
- Fees were because of failed automatic payments
- Account taken from OD \$18.11 to OD \$118.11 in one day
- Customer received no benefit from these dishonour charges



## Why Westpac, BNZ and ASB?

- Cases have already been launched against ANZ/National Bank and Kiwibank.
- Other Kiwi customers now have their chance as all 5 major banks are caught by these legal actions.
- These banks cover 92% of the retail banking market in New Zealand.



## What's next?

- Westpac, BNZ and ASB customers have until 27 February to register at [www.fairplayonfees.co.nz](http://www.fairplayonfees.co.nz)
- Only those who have signed up will be eligible to participate in the claim
- The papers issuing the cases will be filed on 28 February

## What about the other cases?

- ANZ case had first hearing on 14 October 2013
  - ▶ Case approved as representative proceeding (class action)
  - ▶ Litigation Lending Services (NZ) approved as funder and funding agreement approved
  - ▶ As of December 13 2013, registrations have closed for the ANZ case.
- Kiwibank case lodged documents on 22 November 2013
  - ▶ Kiwibank customers can still sign up at [www.fairplayonfees.co.nz](http://www.fairplayonfees.co.nz)
- Similar case in Australia against ANZ
  - ▶ Judgement found that millions of dollars of credit card late payment fees were unlawful.