

MEDIA RELEASE

Loyalty to cost Big Bank customers \$6 billion each year

- *Big 4 homeowners \$372 worse off each year thanks to rate hikes*
 - *Average customer can save up to \$3,816 by switching*

Friday, 30 October 2015: Borrowers sticking with a Big 4 bank despite recent rate hikes are missing out on a collective \$6.08 billion of savings each year or \$17 million a day, according to comparison site Mozo.com.au.

Mozo Director, Kirsty Lamont says big bank customers are missing out on a potential pile of cash savings by sticking with what they know instead of taking the opportunity to shop around for a better deal.

“Following all of the Big 4’s move to increase rates for owner occupiers last week, customers should be compelled to look around.”

“Knowing you could be up for a share of \$6 billion should be enough of an incentive to switch to the lowest going rate on the market,” said Lamont.

The lowest rate on the market right now is 3.84% from online lender iMortgage, where monthly repayments would be \$305 less than the new average Big 4 standard variable rate.

“Westpac customers are up for the biggest windfall, saving as much as \$3,816 by switching to the lowest rate, followed by CBA and NAB.”

“ANZ’s new rate will be the lowest of the Big 4 but means homeowners are still paying \$3,500 more than they need to,” said Lamont.

Potential savings by refinancing:

| Lender | Avg standard variable rate (after change) | Annual savings by switching to lowest home loan rate | Potential savings of Big 4 variable customers |
|---|---|--|---|
| CBA | 5.60% | \$3,636 | \$2.05 billion |
| ANZ | 5.56% | \$3,552 | \$1.36 billion |
| WBC | 5.68% | \$3,816 | \$1.36 billion |
| NAB | 5.60% | \$3,636 | \$1.31 billion |
| TOTAL ANNUAL SAVINGS | | | \$6.08 billion |
| <p>Notes: Mozo compared the package loan rate of each of the Big 4 lenders against the best rate on the market to find the potential savings per customer and then multiplied this by the estimated number of variable owner occupier customers at each lender to come up with a collective figure of savings. Rates are based on an 80% LVR loan of \$300,000 to owner-occupiers over a 25 year term. N.B. Mozo excluded Bankwest customers from CBA’s calculations and St George customers from Westpac using APRA data from 2012 and 2010 to estimate this proportion. Source: Mozo.com.au as at 26/10/15.</p> | | | |

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Notes: Figure of \$372 is the difference in new repayments, annually, of the average Big 4 home loan customer based on a \$300k, 25 year 80%LVR loan.

For data or comment from a Mozo spokesperson, contact:



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Caroline Thomas, PR Manager
Mozo.com.au
PH: 02 9037 4375 / 0402 330 021
E: caroline.thomas@mozo.com.au

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