

Big 4 mystery shop reveals big discounts for home loan hagglers

- Big bank customers can score up to 1.45% rate cut just by asking
- Annual savings of up to \$2,996 for borrowers despite Reserve Bank leaving cash rate on hold

Monday 17 October 2016: Big bank customers are being urged to haggle on their home loan with the annual mystery shop by financial comparison site Mozo.com.au revealing the Big 4 are offering discounts of up to 1.45% to those willing to ask for a better deal.

Mozo staff posed as a first homebuyer, investor and refiner and asked for discounts from each of the Big 4 banks, finding the biggest discounts on offer this year are for investors with an average discount of 1.27% off the standard variable rate.

“Three out of four big banks reserved their largest discount for investors which suggests that they are now open to negotiate on investor rates again,” says Mozo property expert Steve Jovcevski.

“This is a big change from last year when no additional discounts were offered to investors as banks scaled back investor lending in a bid to meet APRA’s requirements of reducing their investor loan books to under 10% growth each year.”

Mozo also found for refiners, generous discounts of up to 1.30% off the standard variable rate are on offer. This equates to almost \$2,670 in savings each year on the average home loan. For first homebuyers, CommBank offered the best rate at 4.02%, a 1.20% discount off its standard variable rate.

Jovcevski says that the mystery shop proved once again that a bit of haggling goes a long way so don’t be afraid to speak up.

“On top of rate discounts, ANZ and NAB are offering other generous perks including cash back, a waived package fee for the first year and even frequent flyer points which serves as a reminder to hagglers to don’t just negotiate on rates.”

Mozo’s top home loan haggling tips:

- **Call more than one big bank:** Research what rates you can get elsewhere as a big four bank are likely to price match if you can tell them you can get a cheaper rate from one of their competitors.
- **Push harder:** Don’t accept the first discount they offer you, because chances are, it’s not the best the provider can do. Instead ask them if that’s really the best they can do, as providers tend to reserve their biggest discounts for the customers prepared to push hard enough.
- **Don’t just haggle on the interest rate:** Remember the interest rate isn’t the only thing you can haggle on. Ask your lender if they can throw in any extras like cash back offers or frequent flyer points.
- **Bundle:** Consider bringing some of your financial products (i.e. credit card, super and insurance) over to the bank to secure a larger discount.

- **Compare apples with apples:** Signing up for the cheapest rate isn't always the best option, as should consider other features that will work for you like an offset account, redraw facility or the option of interest only repayments.
- **Call in the experts:** If you need a little help haggling a great deal, it might be worth getting an expert to do it on your behalf like property expert Steve Jovcevski through Mozo's free home loan negotiation [service](#) or calling 13 66 96.

Mozo home loan mystery shop discounts:

Bank	Borrower	Standard Variable Rate	Mystery Shop Rate	Total Discount
ANZ	First Homebuyer	5.25%	4.05%	1.20%
	Refinancer	5.25%	3.95%	1.30%
	Investor	5.52%	4.07%	1.45%
CommBank	First Homebuyer	5.22%	4.02%	1.20%
	Refinancer	5.22%	4.02%	1.20%
	Investor	5.49%	4.40%	1.09%
NAB	First Homebuyer	5.25%	4.10%	1.15%
	Refinancer	5.25%	4.02%	1.23%
	Investor	5.40%	4.07%	1.33%
Westpac	First Homebuyer	5.29%	4.34%	0.95%
	Refinancer	5.29%	4.31%	0.98%
	Investor	5.56%	4.35%	1.21%

Source: Mozo.com.au.

-ENDS-

Notes on calculations: Discounts from ANZ, NAB and CommBank as at 28 September 2016 and Westpac as at 4 October 2016. Potential annual savings calculated on a \$300,000 home loan over 25 years.

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