



Mozo Banking Roundup

April 2021

A summary of the key changes to pricing & offers in the past month, and the current price leaders, in Australian consumer banking.



Mid to long term **Home Loan** fixed rates continue to push higher with 15 of the lenders we track lifting rates for 4 & 5 year terms.



A number of the larger **Credit Card** issuers made changes to their introductory offers and a new card was launched but, more interestingly, two providers cut interest rates for purchases on some cards.



Very few changes to **Personal Loans** last month, most of which were rate increases.



For **At Call Deposits** most of the rate changes were cuts once again, but far fewer than we've seen for a long time. One bank introduced an ongoing bonus rate on its main savings account, and a challenger brand that has been absent from this category for many years has returned.



Term Deposit rates appear to have levelled out, with some small cuts to shorter terms, and rate increases to multi-year terms, mirroring movement in the fixed home loans space.

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Home Loans

While there continued to be refinements to variable interest rates in April, the majority of the rate adjustment action was observed in the fixed lending space. Following the trend we spotted last month, 2 and 3 year fixed terms continued to be cut sporadically, while 4 and 5 year rates were hiked by at least 15 lenders. This pushed the 4 year fixed owner occupier average up 8 basis points from the end of last month to 2.46%.

Variable Rates

AMP Bank made reductions of 54 (now 2.89%, 2.94% comp rate*) and 41 (now 3.27%, 3.32% comp rate*) basis points for owner occupiers and investors, respectively, on the 80% to 90% LVR tier on its Basic Package variable home loans. While marketed as “basic” this lending product offers an attached offset account with no annual fees.

ANZ simplified its packaged rate offerings, reducing rates, removing lending amount tiers, while retaining its borrower LVR discounts. For owner occupiers with an LVR of 80%, a variable rate is now 2.99% (3.42% comp rate*), and 3.59% (4.00% comp rate*) for investors.

Bank Australia removed their Premium Home Loan, Home Loan Special, and Line of Credit products during the month, and simplified their market leading Clean Energy Home Loan offering. Packaged rates now start at 2.55% (2.94% comp rate*) for owner occupiers with an LVR of 60%.

Fixed Rates

AMP made sizable reductions up 230bp to selected fixed rates for both owner occupiers and investors. Under its Professional Package for owner occupiers, a 3 year fixed rate is now priced as low as 1.88% (2.92% comp rate*) at 80% LVR.

Bankwest made cuts of 18bp to 2 year rates, while increasing 4 and 5 year rates for owner occupiers by 30 and 20bp respectively. It’s leading packaged 2 year fixed rate is now 1.89% (3.51% comp rate*).

Greater Bank increased both 4 and 5 year fixed rates by 20 basis points for all borrower types. For a packaged rate, owner occupiers can expect to pay 2.29% (3.23% comp rate*).

Across its range of fixed lending, **Newcastle Permanent** cut 29bp from 2 year terms, and 20bp from 3 year terms, while increasing 4 year rates by 15bp, and 5 year rates by 20bp.

St.George Group increased both 4 and 5 year fixed lending options for owner occupied properties by 30bp. It’s packaged 4 year rate is now 2.24% (3.30% comp rate*) at 80% LVR, owner occupied.

Westpac made the same 30bp rate increase to its owner occupied fixed suite, with their pricing for the same customer and 4 year term now priced at 2.29% (3.39% comp rate*).

Market Snapshot

Major Banks	Basic Variable, Owner Occupier, 80% LVR	Variable Rate	Comparison Rate*
ANZ	Simplicity PLUS	2.72%	2.76%
CommBank	Extra Home Loan	2.69%	2.70%
NAB	Base Variable Rate Home Loan	2.69%	2.69%
Westpac	Flexi First Option Home Loan	2.79%	2.80%

Major banks	Best package variable rates, Owner Occupier	Variable Rate	Comparison Rate*
ANZ	Over \$150,000 (LVR<80%)	2.99%	3.42%
CommBank	Over \$750,000 (LVR<95%)	3.85%	4.27%
NAB	Over \$750,000 (LVR<95%)	3.62%	4.03%
Westpac	Over \$150,000 (LVR<70%)	3.19%	3.60%

Current Rate Leaders (\$400,000 80% LVR)		Variable Rate	Comparison Rate*
Owner Occupier	Reduce Home Loans Super Saver Variable	1.99%	2.08%
Investor	Well Home Loans Well Balanced Variable Home Loan	2.24%	2.27%

Major banks	Best package fixed rates, Owner Occupier (comparison rate*)				
	1 year	2 years	3 years	4 years	5 years
ANZ	2.04% (3.33%)	2.04% (3.26%)	2.04% (3.18%)	2.24% (3.18%)	2.24% (3.13%)
CommBank	2.09% (4.11%)	1.94% (3.93%)	2.14% (3.83%)	2.19% (3.73%)	2.99% (3.93%)
NAB	2.09% (4.16%)	1.89% (3.97%)	1.98% (3.83%)	1.98% (3.69%)	2.24% (3.66%)
Westpac	2.09% (3.59%)	1.89% (3.46%)	1.98% (3.38%)	2.29% (3.29%)	2.59% (3.31%)

Current Rate Leaders (\$400,000 80% LVR)		Fixed Rate	Comparison Rate*
1 Year Fixed	bcu	1.67%	3.84%
2 Years Fixed	Homestar	1.74%	2.23%
3 Years Fixed	Credit Union SA	1.79%	3.33%
4 Years Fixed	BankVic	1.95%	3.75%
5 Years Fixed	ING	2.19%	3.37%

*WARNING: This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan. The comparison rate displayed is for a secured loan with monthly principal and interest repayments for \$150,000 over 25 years.



Credit Cards

Quite a few Credit Card offer changes to report in the last month, including from some of the larger card issuers. Many of the changes were focused on offers but both Bankwest and Latitude reduced interest rates. American Express also launched an interesting new product.

American Express increased the bonus points offer on its Explorer Credit Card from 50,000 to 100,000, reduced the bonus points offered on its Qantas Ultimate card from 100,000, and removed the 50,000 bonus points that had been available on its Platinum Edge Credit Card. The Cashback Credit Card was also launched this month offering 1% cashback on all purchases, 1.5% cashback for purchases from participating retailers up to 22nd march 2022, and 5% bonus cashback for the first 3 months to a total of \$200. The card carries a 20.74% interest rate and \$10 monthly fee.

ANZ swapped the offer on its First card from a 0% for 18 months balance transfer period to a 0% for 12 months introductory purchase rate period. The Rewards Platinum card gained a waiver of the annual fee in the first year, plus changed its combination of 100,000 bonus rewards points and \$50 cash back offer for 120,000 bonus rewards points. Similarly, the Rewards Black card now gets its annual fee waived in the first year and has swapped its 130,000 bonus points and \$150 cash back for 180,000 bonus points.

Bankwest cut the purchase rates on its Breeze Mastercard and Breeze Platinum Mastercard by 109bp to 9.90% and on its Zero Mastercard and Zero Platinum Mastercard by 300bp to 14.99%. The Breeze duo also had their BT periods reduced from 25 to 15 months but added a 0% for 15 months introductory purchase rate. For the Zero cards their 2.99% for 9 months BT offer was upgraded to 0% for 26 months.

Bendigo Bank increased the interest free balance transfer period on its Low Rate Credit Card from 18 to 24 months.

Coles removed the 0% for 12 months balance transfer offer on its No Annual Fee Mastercard, while its Rewards Mastercard now offers a sign-up bonus of 20,000 flybuys points.

Commonwealth Bank changed the bonus points available on many of its Awards cards. The Diamond Awards card now offers either 60,000 Awards points (down from 80,000) or 36,000 Qantas Points (down from 40,000). The Platinum Awards card offers either 60,000 Awards points (down from 80,000) or 24,000 Qantas points (down from 32,000). The Ultimate Awards card had its bonus Awards points increased from 100,000 to 120,000.

Latitude cut the purchase rate on its GO Mastercard from 22.74% to 19.95%.

NAB's Low Rate Card had the 0% balance transfer period extended from 20 to 26 months and has the annual fee waived in the first year.

Market Snapshot

Top offers		
0% Balance Transfer	HSBC Platinum	36 months (no BT fee)
0% Introductory Purchase Rate	ANZ Platinum	17 months
Lowest Purchase Rate	G&C Mutual Low Rate Visa	7.49%
Introductory Bonus Points	Citi Prestige	200,000 Citi Rewards
	St. George/BoM/BSA Amplify Signature	200,000 Amplify
	Qantas Money Premier Titanium	150,000 Qantas
	Westpac Altitude Black	150,000 Altitude

Summary of Big 4 card offers

ANZ

- 0% for 17 months on purchases on Platinum.
- \$0 first year annual fee on Low Rate, Platinum.
- 0% for 18 months BT (+2% fee) on First.
- 0% for 20 months BT on Low Rate.
- Offers between 40k and 130k bonus points on Rewards and 25k to 120k on Frequent Flyer.

CommBank

- 5.99% for 5 months BT on all cards excluding Essentials.
- 0% for 15 months purchase rate on the Low Rate card.
- \$0 first year annual fee on Low Fee, Low Fee Gold cards with a spend of \$1,000 p.a or \$10,000 p.a. for Gold.
- \$150 cashback on the Low Fee card and \$200 cashback on the Low Fee Gold card.
- Offers between 80k and 100k bonus points on Awards cards.

NAB

- 0% for 6 months BT (+2% fee) on all cards.
- 0% for 20 months BT (+2% fee) on Low Rate Card.
- Offers between 60k and 120k bonus points on Rewards and 30k to 110k Qantas cards.

Westpac

- 0% for 28 months BT (+1% fee) on Low Rate.
- 0% for 15 months purchase rate on Low Fee.
- 0% for 18 months BT (+1% fee) on Altitude Platinum.
- Discounted \$99 first year annual fee on Altitude Platinum and first year annual fee waived for Low Rate (usually \$59).
- 60k Frequent Flyer or 80k Altitude bonus points on Altitude Platinum, 120/150k on Altitude Black.

Personal Loans

There were only a handful of rate changes for Personal Loans during April, most of which were increases.

Australian Military Bank increased a range of rates by 50bp. These applied to products including the variable and fixed options on its Unsecured Personal Loan, now 5.85% (6.70% comp rate), and the variable starting rate on its Car Loan, now from 4.49% (5.40% comp rate).

Hume Bank increased fixed rates on its Secured Car Loan and Unsecured Personal Loan by 200bp, now 6.95% (7.97% comp rate*) and 10.95% (12.00% comp rate*) respectively.

OurMoneyMarket dropped the starting rates for its fixed Car Loan by 15bp to 5.35% (7.05% comp rate*), and its Low Rate Personal Loan by 89bp to 5.40% (7.31% comp rate*).

The St.George group of brands ended the special offer on the fixed rate for its Unsecured Personal Loan, back up 150bp to 11.49% (15.38% comp rate*).

Market Snapshot

Major Banks	Product	Headline Rate	Comparison Rate*
ANZ	Unsecured Loan	10.50% fixed	11.38%
CommBank	Car Loan	6.99% fixed	8.05%
	Unsecured Loan	11.50% fixed (3 year)	12.38%
NAB	Unsecured Loan	6.99% var/fixed (indicative rate)	7.91%
Westpac	Car Loan	7.49% fixed	8.68%
	Unsecured Loan	9.99% fixed	11.16%

	Current Rate Leaders	Headline Rate	Comparison Rate*
Unsecured	Aust Military Bank Personal Loan - Excellent Credit	5.35% variable/fixed	6.21%
Secured	loans.com.au Clean Green Car Loan	3.97% fixed	4.51%

*WARNING: The Comparison Rate combines the lender's interest rate, fees and charges into a single rate to show the true cost of a personal loan. The comparison rates displayed are calculated based on a loan of \$30,000 for a term of 5 years, based on monthly principal and interest repayments, on a secured basis for secured loans and an unsecured basis for unsecured loans. This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.



At-Call Deposits

Yet again almost all of the changes in the last period were rate reductions, but there were far fewer than we have seen for many months now. Amongst those cuts AMP introduced an ongoing bonus rate, and Virgin Money launched a suite of deposit products.

AMP added an ongoing bonus rate of 1.25% to its AMP Saver Account and dropped the unconditional base rate by 75bp to 0.10%. To qualify for the bonus rate a minimum of \$250 needs to be deposited in the month.

Bank of Queensland reduced both the introductory rate on its WebSavings Account and the ongoing bonus rate on its Bonus Interest Savings Account by 10bp to 0.55%.

Bankwest cut 10bp off the ongoing bonus rate for its Hero Saver, now 0.70%, and 20bp off the introductory bonus rate for its TeleNet Saver, now 0.40%.

Heritage Bank reduced the introductory bonus rate on its Online Saver by 40bp to 0.55% and the ongoing bonus rate on its Target Bonus account by 20bp to 0.76%.

Virgin Money launched three new accounts during the month, last offering a deposit account in 2014. The Go bank account offers fee free everyday banking, and if you meet monthly criteria will pay 8 rewards points per purchase. The criteria varies depending on the age group of the account holder, but for people over 25 years it's a deposit of at least \$2,000 plus at least 5 purchases in the month. It is offered as a bundle with the Boost Saver with an ongoing bonus

rate of 1.20% when that criteria is met. The Grow Saver offers an ongoing bonus rate of 0.65% if there's at least one deposit and no more than one withdrawal during the month.

Market Snapshot

Major Banks		Current Rate
ANZ	Progress Saver	0.40% ongoing bonus
	Online Saver	0.35% intro for 3 months
CommBank	Goalsaver	0.35% ongoing bonus
	NetBank Saver	0.40% intro for 5 months
NAB	Reward Saver	0.30% ongoing bonus
	iSaver	0.35% intro for 4 months
Westpac	Life	0.40% ongoing bonus
	Life (under 30)	3.00% ongoing bonus
	eSaver	0.40% intro for 5 months

Current Rate Leaders		Rate	Condition
Ongoing Bonus	ING Savings Maximiser	1.35%	Min deposit \$1,000, 5 debit card transactions, grow balance in the month.
Intro	Rabobank High Interest Savings Account	1.50%	for 4 months, then 0.25%
Base Rate	Volt Savings Account	1.00%	Unconditional

** rate tables based on an account balance of \$10,000*

Term Deposits

Average term deposit rates largely flat this month, small falls on shorter term rates, with a few improvements in terms longer than 3 years. 18 providers made at least one cut to their rates, while 9 providers increased at least one term. The average rate for a 12 month deposit remains at 0.52%.

Largely reversing cuts made last month, **AMP Bank** increased the rates on its range of term deposits by 20 to 50bp, concentrated on its longer terms. Its 12 month rate is now 0.70%.

Bankwest made cuts of 5 to 15 basis points on its terms 2 to 12 months.

Bank of Queensland cut 5 to 10bp on all offered terms.

firstmac added 25bp to both its 3 and 6 month terms, putting them in the leading position for terms less than 12 months (1.00% for 6m)

Judo Bank increased its 4 and 5 year terms by 30 (now 1.40%) and 40 (now 1.60%) basis points respectively.

Reflecting the mood of the market, **ME Bank** made a mixture of changes to its term deposit rates in April. It made cuts of 10-15bp on terms 3 to 24 months, and made increases of 10 to 60bp on its 3, 4 and 5 year terms.

Queensland Country Bank made cuts of 10 to 20 basis points on all terms.

Market Snapshot

Major Banks	Less than 12m	12 Months	24 Months	36 Months
ANZ	0.25% (7 to 11m)	0.30%	0.30%	0.30%
CommBank	0.15% (9 to 11m)	0.35%	0.25%	0.25%
NAB	0.25% (9 to 11m)	0.25%	0.25%	0.30%
Westpac	0.25% (10 to 11m)	0.35%	0.25%	0.25%

Current Rate Leaders		Rate
Less than 12 Months	firstmac (6 months)	1.00%
1 Year	Judo Bank	1.05%
2 Years	Judo Bank	1.20%
3 Years	Judo Bank	1.15%
4 Years	Judo Bank	1.40%
5 Years	Judo Bank	1.60%

** rate tables based on a deposit of \$25,000*

Mozo Banking Roundup

The content of this report is produced using Mozo's extensive database of banking products, which is updated every day.

If you'd like access to more detailed information, please contact us at data.services@mozo.com.au

Important Information

Product details in the Market Snapshot are as at the end of the month and product changes referred to are changes since the start of the month, unless otherwise specified.

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