

# MEDIA RELEASE



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## FINANCIAL INSTITUTIONS READY TO MAKE SWITCHING EASIER

The Australian Payments Clearing Association (APCA) today confirmed that financial institutions are on track to introduce a new account switching package on 1 July 2012.

The package is the outcome of Bernie Fraser's report, *Banking services: cost-effective switching arrangements*. Announced last year by the Hon. Wayne Swan, Deputy Prime Minister and Treasurer, the package will make it easier for consumers to switch their everyday transaction accounts to a new financial institution. APCA has built the 'mailbox' recommended by Bernie Fraser and is coordinating changes to the direct entry system to accommodate the new package.

From 1 July 2012, when a consumer opens a transaction account with a new financial institution, that institution will offer to help the customer switch their direct debit and credit arrangements from their old account to their new. This will make it easier for consumers who want to switch accounts. They will only have to deal with their new financial institution to switch.

APCA CEO Chris Hamilton said that while some 3.5 million accounts are switched by consumers every year on their own, the new package will help consumers who avoid switching because they think it is too difficult.

"Consumers switch financial institutions for any number of reasons. Sometimes, they find a better deal; sometimes they move interstate, change jobs or homes and a different financial institution suits them better. Whatever the reason, the switching package removes some of the hassle and will help consumers to get the transaction account services and products they want," said Mr Hamilton.

Financial institutions have also been working to ensure Australia's 290,000 electronic transfer business users are aware of the new switching arrangements and are ready to act on the requests they receive direct from financial institutions to make changes to their customers' direct debit and credit arrangements.

"This initiative is a good example of industry participants working together, along with Government and stakeholders, to help Australian consumers," said Mr Hamilton.

Further information is available at [www.apca.com.au](http://www.apca.com.au), [www.bankingreforms.gov.au](http://www.bankingreforms.gov.au) and [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

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### About the Australian Payments Clearing Association (APCA)

APCA is the self-regulatory body set up by the payments industry to improve the safety, reliability, equity, convenience and efficiency of the Australian payments system. As part of this role, APCA manages payment and infrastructure systems. APCA has five clearing systems covering cheques, direct debits and direct credits, aspects of EFTPOS and ATM transactions, high value payments and bulk cash exchanges between financial institutions. It also manages the COIN infrastructure system. APCA has around 80 members including banks, building societies, credit unions, the Reserve Bank and other participants across its systems.