



# Media Release

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## ANZ reduces credit card limit increase offers

ANZ today released a report card on the progress and next steps on its Responsible Lending Code introduced in November 2005.

Group Managing Director, Personal Division, Mr Brian Hartzler, said ANZ was the first bank in Australia to introduce public and auditable responsible lending promises.

"We know that getting into financial difficulty can have a devastating effect on a person and their family," Mr Hartzler said. "Our Responsible Lending Code reflects ANZ's view that both responsible consumer behaviour and responsible lending practices are needed to reduce the opportunity for people to fall into financial difficulty."

The report card covering the six months to June 2006 shows the pool of customers who would have otherwise received an offer to increase their credit card limit has been reduced by 11% as a result of the responsible lending promises. This includes:

- a 5% reduction due to the exclusion of customers who have repeatedly missed repayments or made only the minimum payment for the previous six months;
- a further 6% reduction due to the exclusion of customers on fixed incomes such as recipients of government pensions.

Mr Hartzler said ANZ was looking at other ways to reduce financial difficulty among customers. "We want to get better at identifying customers who are getting into financial difficulty at an early stage, so we can offer assistance before their situation worsens," Mr Hartzler said.

"We are also looking at ways we can design products to make it easier for customers to manage their debt. One option is a credit card which allows customers to transfer a part of their outstanding balance to an installment plan so they can make set repayments over a specified time."

The report card also outlines ANZ's plans to improve customers' access to clear and concise information about the cost of credit. For example, an online calculator to enable customers to find out how long it would take them to pay off their balance, or the monthly payments they would need to make to pay off a balance within a specific timeframe.

ANZ's Responsible Lending Code was developed following stakeholder feedback and research commissioned by ANZ into financial literacy and the causes of financial difficulty. A key finding of the research was that lenders can influence an individual's path to financial difficulty – particularly through the marketing of credit card limit increases. A full copy of ANZ's Responsible Lending report card is available at: [www.anz.com/australia/aboutanz/customercharter/customercharter.asp](http://www.anz.com/australia/aboutanz/customercharter/customercharter.asp)

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