1305, 12 Glen St,   
Milsons Point 2061

27 September 2017

Executive Producers  
Four Corners  
Refer: Sam Lipski and Robert Raymond

ABC Ultimo Centre  
700 Harris Street  
Ultimo NSW 2007

Dear Sam and Robert

**Proposed *Four Corners* programme titled "*Nobody Cares in a Christian Country*" that would *inter alia* chronicle/detail the ineptitude of** [**Two of Australia's Three Financial Services Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoOfAustraliaHasThreeFinancialRegulators.htm) **to the detriment of almost half a million** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)

**Four material changes to Credit Cards that the "**[**principal regulator of the payments system**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)**" should have instigated several years ago:**

**1.       Prohibit Balance Transfer Credit Cards back in 2012, instead of merely banning the '**[**Order of Payments Allocation Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\OrderOfPayments.htm)**'**

**2.       Re-regulate the maximum interest rate of Credit Cards that was lifted in April 1985**

**3.       Apply the** [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)**to Credit Cards that the Reserve Bank made a case for in Dec. 2001**

**4.       Seek information from Financial Counsellors as to which Credit Card advertising and what fine print in lengthy Terms & Conditions, that are *tripping up* Credit Cardholders with low** [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm)

The [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)refers to his[**Letter to Two Executive Producers of Four Corners dated 15 Sept 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABC\LetterToExecutiveProducersFourCorners_15-Sept-17.htm)which *'inter alia'* alleged that the [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm)and[**ASIC**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ASIC\Reasons_why_ASIC_is_a_Co-Defendant.htm)had each breached their [**Duty of Care**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Hobart_Legal\negligence_and_the_duty_of_care.htm) to 473,000 *circa* [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm)that are[**Financially Uneducated And Vulnerable Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)(possess only Level 1 or Level 2[**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm))because -

A         this cohort had been [**Numeracy And Literacy Targeted**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)with [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)whereupon 12.54% *circa* of [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), identified as[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)**,** are paying 80% circa of all [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm);and

B.        neither of these[**Two Financial Services Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoOfAustraliaHasThreeFinancialRegulators.htm)**,** that hold extensive powers and obligations to all Australians, far beyond the powers of the central bank of the USA or the central bank of the UK to their respective citizens, had -

            (i)         requested any financial information from any[**ADI**](http://www.apra.gov.au/adi/pages/adilist.aspx) that they want it from, as bestowed under[**Statutory Duties**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm)andmore generally under their[**Fiduciary Duties**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Fiduciary_Duty.htm)to all Australians; and

            (ii)        imposed additional regulations upon any cohort of [**ADIs**](http://www.apra.gov.au/adi/pages/adilist.aspx)that they choose apart from token regulations (eg.in early 2011 the Reserve Bank finally[**Determined Standards, pursuant to Section 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\section_18.htm)of the[**PAYMENT SYSTEMS (REGULATION) ACT 1998**](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html)to *'inter alia*' ban the [**Unconscionable**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABC\Unconscionable_Conduct.htm) (because it was not explained) **'**[**Order of Payments Allocation Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\OrderOfPayments.htm)**'**, whereupon[**The National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attach'E'-PR_NatConsumerCreditProtectAmendBill.htm) was thence passed on 4 July 2011 and enacted as at 1 July 2012).

The effect of B(ii) abovewas that [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) -

\*          were no longer able to apply the afore-mentioned [**Order of Payments Allocation Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer.htm); and

\*          must now apply a [**Credit Cardholder's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) payment/s to the highest interest rate debt, namely the most expensive parts of a [**Credit Cardholder's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) [**Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)  [**Outstanding Indebtedness**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Outstanding_Indebtedness.htm).

**1st    *The drought just broke* - one of the** [**Three Financial Services Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoOfAustraliaHasThreeFinancialRegulators.htm) **has finally drawn upon its considerable powers bestowed under Parliamentary Acts to investigate the motives of some of the** [**ADIs**](http://www.apra.gov.au/adi/pages/adilist.aspx) **that it is responsible to *inter alia* the Australian Parliament.    
But Balance Transfer Credit Cards should have been banned in 2012**

*"It never rains, then it pours"* because SMH journo, Clancy Yates' article on 17th Sept 2017 *"*[***Zero balance' credit card deals under ASIC microscope***](http://www.smh.com.au/business/banking-and-finance/zero-balance-credit-card-deals-under-asic-microscope-20170918-gyjgrs.html)" informs that after a 10+ years drought, [**ASIC**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ASIC\Reasons_why_ASIC_is_a_Co-Defendant.htm) has recently finally requested financial data for the last five years from the twelve largest Credit Card Issuers in Australia that focuses on '*inter alia*' the morality of [**Balance Transfer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer.htm) advertising (since 1992 in the USA, since 1995 in the UK and since 1998 in Australia) that patently [**Targets**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm) [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) with poor [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm).

[**Balance Transfer Offers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer.htm)-

\*          includes evidence that there are over 100 different Balance Transfer Credit Cards; and

\*          notes that one of the [***Four Pillars***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Four_Pillars.htm) as never offered them.  [**Commonwealth Bank has maintained for many years that Balance Transfer Offers should be banned**](http://www.smh.com.au/business/banking-and-finance/cba-calls-for-mandatory-minimum-credit-card-repayments-20151015-gkajfi.html)**:**

"CBA's head of retail banking services, Matt Comyn, claimed it had never offered zero rates on   
balance transfers because it could become a "debt trap" for customers.

            "We view that such arrangements are not the right thing to offer our customers," he said"

ASIC is seeking this five years data to ascertain if Credit Cardholders that 'Accept' a   
[**Zero Balance Transfer** **Offer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\BalanceTransfer_20_years.htm) that are holding [**Indebtedness**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Outstanding_Indebtedness.htm)(say exceeding $5,000 incurring   
[**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)) are -

\*          reducing their Indebtednessdue to paying lowerInterest and Penalty Fees;or

\*          increasing their Indebtednessdue to paying higher Interest and Penalty Fees.

Seemingly, ASIC is not examining the particularly advertising material (as examined in   
[**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm)below) in particular Citibank's recent intense Zero Balance TV and radio campaign, to determine if these TV and radio adds pass the ACCC's definition of [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)**.**

TV and radio adds professes to want to help Credit Cardholders that carry large [**Indebtedness**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Outstanding_Indebtedness.htm)on several Credit Cards.  However, Credit Card Issuers have empirical evidence that Credit Cardholders that have 'chalked-up' considerable Credit Card [**Indebtedness**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Outstanding_Indebtedness.htm)and paid a lot of [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)are likely to fall to the hidden pitfalls of a Zero Balance Offer from a competitor who wants some of that 'succulent' [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm).

The Writer cannot source video or audio of any of the recent [**Citibank Rewards Platinum Card TV and radio adds for their Zero Balance Credit Cards**](https://www.citibank.com.au/cards/search/triplepage.htm?plat=P1N1UYF1&clas=S1N1UYE1&sim=71N5UY61&cid=PS-Google-PlatTrio-CC012017&gclid=COj0ne2mvdYCFQrZvAodzTIP4g&gclsrc=ds).  But one ponders who induces the below two You Tubes that herald the benefits of Zero Transfer Balance Credit Cards:

**\*** [**You Tube  - How My Friend Saved HUNDREDS With A Balance Transfer!**](https://www.youtube.com/watch?v=oJ0fnC-5Vlk)

**\*** [**Citibank: Pay No Interest Until 2017 With These Credit Cards: 0% INTEREST**](https://www.youtube.com/watch?v=h-lPQkZV_SI)**.**

Below is a snapshot of[**Balance Transfer Offers and their hidden *Spiders* have plagued vulnerable Credit Cardholders in Australia for almost 20 years**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\BalanceTransfer_20_years.htm).

[**Balance Transfer Guide**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\balance_transfer_guide.htm) provided by the disreputable [www.creditcards.com](http://www.creditcards.com) notes that:

"The first ever Balance Transfer Credit Card was launched by Signet Bank (Virginia) in 1992.

In 1994 Signet Bank spun off its Credit Card business as 'Capital One', but it soon outgrew its parent.  In 1995, Signet Bank was bought by First Union Corporation, but Capital One remained independent, becoming a big bank in its own right.

From its roots in the United States, the Balance Transfer concept quickly crossed the Atlantic as Capital One and other new credit card issuers entered the UK market in the early to mid 1990s.

Balance transfer credit cards allow holders to transfer balances (debt) held on existing credit cards to a new Credit Card Issuer.

For many years, most Zero Balance Transfer offers competed with broadly similar fees (around 3%). However, as introductory periods increased beyond the needs of many customers, so Credit Card Issuers started to aggressively compete on the fees charged.  As a result, some cards now charge no transfer fee whatsoever, but have hidden *Spiders*, while Credit Cards with longer promotion period often offer discounted fees or fee refunds."

**Why are Zero Interest Balance Transfer offers offered?**

Credit Card Issuers have empirical evidence that Credit Cardholders that have 'chalked-up' considerable Credit Card Indebtednessand [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)are likely to fall to the hidden pitfalls of a Zero Balance Offer from a competitor who wants some of that 'succulent' [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm).

'Acceptors' of these offers usually pay a 3% *circa* [**Balance Transfer Fee**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer_Fee.htm) and usually receive no  
 [**Interest Free Period**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_Free_Period.htm), so the metre is running at 20% *circa* from the date of each [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm).

Often the Balance Transfer Offer will not allow the transferred balance to be more than 80% or 90% of the new Credit Card's [**Credit Card Limit**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Card_Limit.htm).  So 'Acceptors' will be paying in the order of 20% or 10% of their Balance Transfer Amount at the Purchase interest rate which may be 20% *circa* interest rate.

Some Balance Transfer Credit Card offers cancel the 0% interest rate protection on the Balance Transfer amount, if the 'Acceptor' does not pay the aggregate of the [**Previous Month's Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Previous_Month's_Purchases.htm) by the   
[**Payment Due Date**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payment_Due_Date.htm), whereupon the 'Acceptor' is charged say 20% on their full Balance Transfer Amount which would be a painful consequence.

Citibank does not cancel the Zero [**Balance Transfer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer.htm)protection, but charges a $10 per week fee if the full Purchase amount for the previous month is not paid by the [**Payment Due Date**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payment_Due_Date.htm)

[**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm)examines[**Nine Examples**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm) of[**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)of which the following involve[**Balance Transfer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Balance_Transfer.htm) Credit Card offers:

|  |
| --- |
| **\*** [**Example 3 - Unconscionable Conduct - ANZ's 'First Visa Card' and 'Low Interest Visa Card'**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\BalTransfers\ANZ\ANZ_First_Visa\Example_3_ANZ_First_Visa_Card.htm)  **\*** [**Example 4 - Unconscionable Conduct - Bankwest More MasterCard**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\BalTransfers\Bankwest\Example_4_Bankwest_More_Mastercard.htm)  **\***[**Example 5 - Unconscionable Conduct - American Express Low Rate Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\AmericanExpLowRateCard\AmericanExpLowRateCard.htm)  **\*** [**Example 7 - Unconscionable Conduct - HSBC Platinum Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\HSBC\HSBC_Platinum_Credit_Card.htm)  **\***[**Example 8 - Unconscionable Conduct  -  Citibank Platinum, Classic and Simplicity Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\BalTransfers\Citibank\Example_8_Three_Ciit_Cards.htm)  **\*** [**Example 9 - Unconscionable Conduct  -  American Express Explorer Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\AMEX_Explorer_Card\Example_9_American_Express.htm)**"** |

\*        ASIC should have sought the above five years' style data from the major Credit Card Issuers at least 10 years ago.

\*        The Reserve Bank should have recommended to the Federal Govt., pursuant to the[***Banking Act 1959 as amended***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00750-Banking_Act_1959_current_Feb-17.pdf), to ban [**Zero Balance Transfer Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\BalanceTransfer_20_years.htm) all together in early 2010 and not merely recommended to the Federal Govt. that the **'**[**Order of Payments' Allocation Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\OrderOfPayments.htm) be outlawed, whereupon the[**National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attach'E'-PR_NatConsumerCreditProtectAmendBill.htm) was passed on 4 July 2011 - explained in B.(ii) above.

**2nd      The Reserve Bank should have re-regulated a cap -**

**(I.)       on the maximum** [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) **interest rate; and**

**(II.)       a separate cap on the maximum** [**Cash Advance**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm) **interest rate,**

**shortly after the Reserve Bank published its Research Discussion Paper in June 1992 titled** [**LOAN RATE STICKINESS: THEORY AND EVIDENCE  -  RBA 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\loan_rate_stickiness.htm) **(by Philip Lowe and Thomas Rohling) because** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)**with   
low** [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm) **have suffered**[**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm)

[**Chapter 17**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm) -

(A)      details *'inter alia'* the robust reasons why interest rates were regulated in Australia for over 100 years until 1981; and

(B)       includes "**Reserve Bank was aware as early as 1992 that deregulation was not going to evidence** [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) **lowering Credit Card interest rates when the wholesale cost of funds (**[**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)**) fell**".

The afore-mentioned [**LOAN RATE STICKINESS: THEORY AND EVIDENCE  -  RBA 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\loan_rate_stickiness.htm)identified excessive [**Price Stickiness of Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Price_Stickiness_For_Credit_Cards.htm)whenthe[**Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)fell, because interest rates charged for [**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) (after the lure of the [**Interest Free Period**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_Free_Period.htm)) and [**Cash Advances**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm) remained '*stuck*' at their existing interest rates.  That Discussion Paper which recognised that Credit Card Issuers did not pass on [**Overnight Cash**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) interest rate cuts to Purchases interest rates(after the Interest Free Period) and [**Cash Advances**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm) was published 25 years ago.  The wholesale cost of funds (measured by the [**Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)) has plummeted during that quarter century.

[**Chapter 5**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm) notes that the[**Reserve Bank recommended to Govt. the removal the 18% cap on Credit Card interest rates; removed in April 1985**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Price_stickness_in_credit_card_interest_rates.htm)**.** The spread between the wholesale cost of funds and max[**Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)interest rate in 1985 was less than 1%.

Notwithstanding,

(i)         the enormous spread in the above explained interest rate margin; and

(ii)        the Reserve Bank's responsibility "**to best contribute tothe economic prosperity and welfare of the people of Australia"** set out in[**Reserve Bank Act 1959 *-* Sect 10 "Functions of the Board**](https://www.legislation.gov.au/Details/C2004C00172)**",**

the Reserve Bankhas failed to recommend to Govt. re-regulating [**Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)interest rates, notwithstanding that[**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm)with only Level 1 and Level 2 [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm)have suffered[**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm)due to removal of that cap in 1985.

The below extracts from [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)point out that the spread between where Credit Card Issuers can source funds and the max interest rate for a [**Cash Advance**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm) is now as high as 28%:

**"**[**67% *circa***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\CreditCardStatistics_4-May-17.xls) of all Credit Cardholders*,* being [***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Transactors_and_Revolvers.htm), enjoy a [***Free Ride***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Free_Ride.htm).  Those   
[***Free Riders***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Free_Ride.htm)***'*  [Revolving Lines of Credit](file:///F:\\Documents\\My%20Web%20Sites\\Muggaccinos\\CreditCards\\DefinedTerms\\Line_Of_Credit.htm)** arepaid for by [**33% *circa***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\CreditCardStatistics_4-May-17.xls) of Credit Cardholders that are

[***Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Transactors_and_Revolvers.htm)of which38% of [***Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Transactors_and_Revolvers.htm) are [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)that -

\*        hold [**12.58%**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\~$Revolvers-ave-debt.xlsx)*circa*of the 16.1 million Credit Cardsin Australia;and

\*        pay 80% *circa* of [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) - displayed in Figure 3 and Figure 1 above and also in [**Chapter 8**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_8.htm).

The [**Pareto Principle**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\80-20_Rule.htm), colloquially known as the '**80-20 Rule**', is that 20% of customers generate 80% of the revenue for a particular business. The [**Pareto Principle**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\80-20_Rule.htm) has been *'blown away'* by Credit Card Issuers because 12.58% of Credit Cardholders (not 20%), namely Australia's *Persistent Revolvers*(referred to by [**McKinsey in the USA as** '**Financially stressed**'](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\McKinsey\New_frontiers.htm)), identified in the above RBA Graph 7 "**Cardholder Payment Behaviour**" (in RBA report [**RBA Submission to the Senate Inquiry into Matters Relating to Credit Card Interest Rates - Aug 2015**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sunmission_20.pdf)), pay 80% of [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm).

Mindful that the highest -

**\*** [**Purchase interest rate is 25.9% from**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm) **"**[**Lombard Visa Card Classic**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm)**;** and

**\*** [**Cash Advance interest rate is 29.49% from G.E. Money's "Go MasterCard"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm)**,**

one ponders whether [**LOAN RATE STICKINESS: THEORY AND EVIDENCE - June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\rba\rdp9206.pdf) is still a concern of the Reserve Bank, but it was in 1992 - at least to the two authors:"

The RBA would likely retort that it de-regulated loan and deposit interest rates from 1980 following the recommendations in the Campbell Committee Report.  [**Chapter 17**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm) below notes:

**"**[**The Campbell Committee was established in 1979 and reported in 1981.  The recommendations of the inquiry were targeted at ..... the abolition of direct interest rate and portfolio controls on financial institutions**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\chapt14%20(1).doc).  Campbell did not recommend removal of any powers held by the Reserve Bank to regulate interest rates or demand financial information.  The Campbell recommendations were made following an extended period of high interest rates.  High deposit interest rates by NBFIs existent *circa* 1980 are no longer an impediment to regulating credit card interest rates.  The abovementioned reference to Chapter Nine (in [**Chapter 15**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_15.htm) above): 'Stability and Payments' of the **Wallis Enquiry** noted:

**"the RBA should retain overall responsibility for the stability of the financial system, the provision of emergency liquidity assistance and for regulating the payments system."**

[**Chapter 5**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm) provides an extract from[**Consumer Affairs Victoria**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\GriffithUni\consumer_affairs_victoria.htm)[***-  Regulating the cost of credit***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\GriffithUni\consumer_affairs_victoria.htm)which evidences that in the past if de-regulation did not achieve the desired results, then re-regulation followed:

"The tide of utilitarianism rose slowly, and a lengthy campaign was necessary before the financial deregulation of 1854, which abolished the British interest rate cap.  However, one act of deregulation cannot quell an argument that has been going on for millennia. Over the following century the tide gradually turned towards re-regulation, culminating with detailed requirements imposed on the financial sector (particularly the banks) during and immediately after the Second World War. We now trace the gradual lead-up to this second phase of regulation."

Alas, we have not learnt from history, because notwithstanding that the spread between thecurrent[**Cash Rate**](http://www.rba.gov.au/statistics/cash-rate/)of 1.5% and the [**Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)[**Purchase Interest Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase_Interest_Rate.htm)of 20% is 18.5%.  (As at Sept 2017 [**the highest Purchase interest rate is 25.9% from**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm) **"**[**Lombard Visa Card Classic**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm)" and the **highest Cash Advance interest rate is 29.49%** from[**G.E. Money's "Go Mastercard"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\HighestInterestRateCreditCards.htm))

[**In March 2009, Sen. Bernie Sanders, a Vermont independent, tabled legislation in the   
U.S. Federal Congress that would impose a 15% cap on interest rates for all consumer loans, including plastic**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\USA\bill_would_limit_loan,_credit_card_rates.htm):

"Obviously this is a pretty radical act, and it will be fought," he replied. "But I think the American people are disgusted with the financial industry. They want change.

You could argue that an interest rate of 15% or 18% is more than enough to accommodate any amount of risk on the lender's part. If a loan appears riskier than that, don't make it.

 What we have to ask as a nation is whether it's ethical to charge people 30% interest rates," Sanders said. "This is loan sharking. Let's call it what it is."

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| --- |
| [**Snapshot of Section 8 of the Writer's letter to RBA dated back on 8 Dec 2011 set out recommended changes to Credit Card issuing, monitoring and pricing**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Section_8_Snapshot.htm)**.** |
| [**Question 2**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Question_2.htm)of the[**Thirteen Written Questions (re Credit Cards) for a member of the Opposition Party in the 'lower house' to ask the ruling Government Party during Question Time**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Written_Questions.htm)includes:  "Pursuant Section 10(2) of the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attachment_'D'-Payments_System_Board.htm), and relying on [**Section 50**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Section_50_of_Banking_Act_1959.htm)of the [**Banking Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00750-Banking_Act_1959_current_Feb-17.pdf)**,** will the Federal Treasurer ask the Reserve Bank to -  (A)      re-regulate the [**18% cap on Credit Card interest rates that applied up to May 1985**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Price_stickness_in_credit_card_interest_rates.htm) to apply to Cash Advances on the basis that the '16.5% Differential' [between the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) (as at 27 Feb. 2017) of 1.5% and the  18% 'Cap On Credit CardInterest Rates' (for[**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) and  [**Cash Advances**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm))] could be 'locked in'; and  (B)       regulate the maximum interest rate for Purchases to be 15% p.a.,  whereupon if the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)increased to say 3%, the 'Cap On Credit CardInterest Rates' could increase to 19.5% p.a. ('16.5% Differential' + 3%) for Cash Advances and 16.5% p.a. for Purchases."  [**Chapter 5**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)notes:  **"**Imposing a $0.50 'transaction fee' and replacing the lure of up to 55 days [**Interest Free Period**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_Free_Period.htm)**,** with a [**Token Interest Period**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Token_Interest_%20Period.htm) of 1% for up to 50 days, would enable a material reduction in [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) and Cash Advance interest rates which would benefit [***Revolvers'***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Transactors_and_Revolvers.htm)infinitely more than more style [**MoneySmart schools programs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Govt\report.pdf)." |

Below is an extract from [**Second Letter to Maurice Blackburn**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm)dated 8 May 2017:

"[**Determine Standards to *'inter alia'* re-cap Credit Card interest rates for 'public interest issues'**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Determine_Standards.htm)debunks[**Ms. van Etten's Media & Public relations, RBA, email sent 10 Nov 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Communications\RBA_response_email_10-Nov-11.htm)to the Writerthat noted: **"The Payments System Board of the Reserve Bank has no regulatory power over these aspects of credit cards**", because the Reserve Bank could have determined Standards (obligated under [**Section 8****of the** **Payments System Regulation Act 1998**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Determine_Standards.htm)and other rights/duties/obligations listed in[**Extensive Powers and Responsibilities of the RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm))to re-introduce a cap/s over Credit Card interest rates, by according with [**Section 11 of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\reserve_bank_act_1959__sect_11.htm), any time it wanted to since the Reserve Bank published [**LOAN RATE STICKINESS: THEORY AND EVIDENCE**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\rba\rdp9206.pdf)in June 1992.

Below is an extract from Media Release "[**Designation of Credit Card Schemes in Australia**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\DesignationCreditCardSchemesAustralia_2001.htm)" issued 12 April 2001:

**"**The Bank will now proceed to establish, in the public interest, **standards for the setting of interchange fees and a regime for access to the credit card systems**.  **However, the standards will not cover the setting of credit card fees and charges to cardholders and merchants, or interest rates on credit card borrowings."**

Australia's central bank, [**with a Board that has been given the backing of strong regulatory powers, unique among central banks**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm), could have [**Determined Standards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Determine_Standards.htm) to re-impose a maximum interest rate on Credit Cards, or a maximum interest rate for Purchases and a maximum interest rate for Cash Advance, at any time that it wanted to.

**3rd    The** [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) **should have had the courage of its convictions in 2001 and re-priced Credit Cards (pursuant to** [***Section 50***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Section_50_of_Banking_Act_1959.htm) **of the** [***Banking Act 1959***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00750-Banking_Act_1959_current_Feb-17.pdf)**)   according to the** [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)**instead of 12.58% *circa* of**[**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm)**, identified by the** [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) **as** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)**, currently paying 80% *circa* of all** [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) **(to** [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm)**) which accounts for** [**87% *circa* of all Credit Card Issuers' Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)**.**

Below is an extract from [**RBA's Consultation Document - Reform of Credit Card Schemes in Australia – Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm) which contain two ironies:

"Reform of credit card schemes will also have a direct impact on credit cardholders and **is likely to result in some re-pricing of credit card payment services. However, this is the means by which the price mechanism is to be given greater rein in the credit card market. A movement towards a “user pays” approach to credit card payment services would be consistent with the approach adopted by Australian financial institutions in pricing other payment instruments under their control.** As the ABA itself has confirmed: **“Pricing services efficiently provides consumers with choice to use lower cost distribution channels and, therefore, facilitates a more efficient financial system. It is also fairer and efficient, because consumers only pay for what they use.”198**

The principles that consumers should face prices that take into account the relative costs of producing goods and services, as well as demand conditions, and that resources should be free to enter a market in response to above-normal profit opportunities, have been the guiding principles for tariff reform and market deregulation in Australia. Such market reforms may impact unevenly on different groups – some gaining, some losing – but they are now the well-established route to more efficient use of resources in the Australian economy."

The*first irony*is that the above [**RBA Consultation Document**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm) argued 16 years ago the merits of **"A movement towards a** [**User Pays**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm) **approach to credit card payment services...".** Yet the 'pricing' of the incredibly highly differentiated [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm) is the antithesis of the   
[**User Pays Principle**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)with 67% of [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), known as [***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Transactors_and_Revolvers.htm), enjoying a   
[***Free Rider***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Free_Ride.htm), whilst 12.54% circa of [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), identified by the Reserve Bank as [***Persistent Revolver***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)contribute 80% *circa* of all [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)

Re the above reference **198**, the *second irony* is that under the stewardship of then ABA Chief Executive, Steve Münchenberg, for 6½ years from early 2010 -

\*         the Australian banking sector sunk to the nadir of human greed; and

***\*        "the chickens are only now coming home to roost"***  particularly at CBA where the Writer   
worked for 37 years under some very capable MDs, that exclude a McKinsey *blow-in*.

If the ABA believed that ***"*It is also fairer and efficient, because consumers only pay for what they use",** the ABA would have spoken out against the above unfair pricing caused by *inter alia*[**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)and[**Numeracy And Literacy Targeting**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)of[**Financially Uneducated And Vulnerable Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)**.**

**4th     Casual examination of the Nine Examples of** [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) **in** [**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm) **establishes that the Reserve Bank and ASIC should have spoken to senior Financial Counsellors (**[**Chapter 7**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_7.htm)**) at** [**Salvation Army's '*Moneycare*',**](https://www.google.com.au/?gfe_rd=cr&ei=OvL3Up6zHsqN8QezqIHIAw#q=salvation+army+moneycare)[**St Vincent de Paul's Budget and Financial Counselling Service**](http://www.vinnies.org.au/page/Find_Help/SA/Finances/Budget_and_Financial_Counselling/)**,** [**Anglicare**](http://www.anglicare.org.au/our-services/family-support)**,** [**Lifeline**](http://www.wesleymission.org.au/Services/counselling/default.asp)**,** [**Smith Family**](http://www.thesmithfamily.com.au/what-we-do/our-work/at-school/secondary/certificate-1-financial-services)**,** [**Wesley Mission's Credit Line**](http://www.wesleymission.org.au/centres/creditline/) ***'et al'* (the beneficiaries of $43 million annually) to find out specifically which** [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm) **and which clauses in the** 'fine print' **of Terms and Conditions are causing**[**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm)

It is not too late to act.  As explained in 1. above, ASIC has recently *'plucked up the courage'* to look at whether 'Acceptors' of Zero Balance Transfer offers have lower Indebtedness up to five years later.

Yours sincerely

Philip Johnston