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5 October 2019

Ms. Adele Ferguson

PO BOX 4,   
Collins Street West VIC 8007

Dear Ms. Ferguson

**The** [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **herewith provides a welter of evidence for a *Second Wave* of the Royal Commission into Financial Services:  
\*        one week of hearings from** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm) **and** [***Credit Card Distress* Authorities**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\'CreditCardDistress'Authorities.htm)**; and**

**\*        one week of cross examination of the** [**Council of Financial Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\council_of_financial_regulators.htm), **in particular its Chair** **(explained in Section 5 below)**

[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm)**establishes that** [**12.58%**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\CreditCardStatistics_4-May-17.xls) ***circa* of** [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) **contribute a *whopping* 80% *circa* of all** [**Interest And Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) **generated from** [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)

[**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm) **exposes 'nine examples'** **of** [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) **from** [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm) **of some** [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)

[**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm) **evidences that the most widely used retail credit borrowing instrument in Australia is *the most differentiated product* (in both 'variety of types' and 'quantum of providers') in the entire Western World - *by a country mile***

**If the 2018 Royal Commission into Financial Services had *kicked-off* by investigating** [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) **by many** [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) **that manifested over the last 20 years, Commissioner Hayne could have expended all of 2018 *cleaning up* only one banking product, albeit the most prolifically used, such is the breadth and depth of** [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) **ostensibly targeted at** [**Financially Uneducated And Vulnerable Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)[**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm)[**With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)**.**

[**Unconscionable Credit Card Interest Charging**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\UnconscionableCreditCardInterestCharging.htm) **focuses on a significant change in interest charging for Credit Cards that a *Red Faced* ABA, under a *parachuted in*, Anna Bligh, has regulated on ALL** [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) **in Aust. to implement no latter than 1 July 2019 under the ABA's** '[**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm)'**. These regulated changes followed years of *deceit perpetrated voracity* fostered under Ms. Bligh's two predecessors, David Bell and then Steven Münchenberg**

[**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) **should have regulated the changes in the ABA's** '[**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm)', **pertinent to Credit Cards, over 25 years ago when the** [**Bank Interest Rate Margin**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\BANK_INTEREST_RATE_MARGINS.htm) **between the** [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) **and the average** [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) **interest rate** [**exceeded 16% -  back in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)**.  In not doing so, the RBA breached its** [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) **to** *"*[**best contribute to.......... the economic prosperity and welfare of ALL the people of Australia**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)" **and the** [**Payments Systems Board**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\PaymentsSystemBoard’sMandate&Objectives.htm) **abrogated its responsibility to always** [***Act in the Public Interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)

**If the SMH shares the** [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **belief that** [**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) **failed in its** [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) **to *inter alia* re-impose a maximum interest rate on** [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Debit_Cards.htm) **when the spread between to** [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) **and the maximum interest rate for** [**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) **increased from less than 1% (April 1985) to 28% (March 2019) (for a Cash Advance) to the** [**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm) **of** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm)**, then the SMH should read *inter alia* the** [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **3rd letter to** [**Dr. Peter Brandson, *Bank Reform Now* dated 2 Aug 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\2nd_Letter_to_Peter_Brandson_9-Apr-19.htm) **(that seeks a *second wave* of the Royal Commission - a mere two weeks of hearings and cross examination) which *inter alia* provides -**

**\*** [**Thirty Two Written Questions**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm) **- most directed at the Governor of the Reserve Bank; and**

**\*        extensive** [**Supporting Documented Evidence**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm) **to justify each of the**[**Thirty Two Written Questions**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm)

**1.       Pertinent events since mid-2010 by the** [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **re** [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)**:**

(a)        Has undertaken well over a thousand hours gathering evidence of [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) bysome[**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm)of [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)that have mislead and deceived using [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)**,** charging [**Usurious Interest Rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Usury_Unsecured_Interest_Rates.htm)[**Targeted At Credit Cardholders With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)- evident in the embedded URL threads in his 570 *circa* [**Defined Terms and Documents**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Defined_Terms_&_Documents.htm), in particular[**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm).

(b)       Posted on [**CDs to the Reserve Bank his Submission dated 8 Dec 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Response_to_RBA_8_Dec_11b.htm)that beseeched the RBA to rely upon its [**Extensive Powers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm) to require [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) in Australia to adopt the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm) because [***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm) enjoy their [**Lines of Credit**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Line_Of_Credit.htm) at virtually no cost and [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm) that regularly possess poor[**Financial Literacy Skills**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm) and account for only [**12.58%**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\CreditCardStatistics_4-May-17.xls) *circa* of Credit Cardholders contribute a *whopping* 80% *circa* of all [**Interest And Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)generated from [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)**.** [**Section 8**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Section_8_of_Writer's_letter_to_RBA_dated%208_Dec_11.htm)of his submission to the RBA accords withrecommendations within"[**RBA's Reform of Credit Card Schemes in Aust:  "I A Consultation Document" – Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm) in particular "[**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**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm)**."**

(c)       Posted a [**Submission to Maurice Blackburn on 25 June 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm) (on DVD) asking it to run a [**Class Action**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Class_Actions.htm)representing 400,000 *circa* [**Eligible *Persistent Revolver* Plaintiffs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Eligible_Persistent_Revolver_Plaintiffs.htm) against the [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) for breach of its [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) and [**Fiduciary Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Fiduciary_Duty.htm) to the material detriment of those[**Eligible *Persistent Revolver* Plaintiffs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Eligible_Persistent_Revolver_Plaintiffs.htm).

(d)      [**Maurice Blackburn response letter dated 14 July 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\Maurice_Blackburn_response_letter_14_July_17.pdf)included:

**"Conclusion**

**In our view there would be legal risks associated with a claim in relation to the circumstances outlined in your letter and for this reason the proposed claim does not meet our criteria for the pursuit of a class action.**

**Although it may be the case that financially vulnerable consumers are at risk when it comes to credit card products, we think that the concerns outlined in your letter would be best addressed by legislative or regulatory change that is designed to protect the interests of these consumers.  In this regard, we suggest that you contact your local Member of Parliament to continue your advocacy on behalf of vulnerable consumers."**

(e)       Emailed his [**Public Submission sent 22 April 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Submission_email-sent_22-Apr-18.htm)to the [**Royal Commission**](https://financialservices.royalcommission.gov.au/Pages/default.aspx) which was deemed ineligible because he had not personally suffered a financial loss[.](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\Maurice_Blackburn_response_letter_14_July_17.pdf)

(f)        Posted all requisite information to Dr. Peter Brandson, CEO, [***Bank Reform Now***](https://www.bankreformnow.com.au/), PO Box 497, Batemans Bay NSW to justify a *second wave* of the Royal Commission (only two weeks of hearings and cross examination), specifically to address an alleged breach of [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm)by [**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) that has cost 400,000 *circa* [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) across Australia (first identified as [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm)by the [**Reserve Bank of Australia**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) in its[**Submission to the Senate Inquiry into Matters Relating to Credit Card Interest Rates - Aug 2015**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Submission_20.htm)in[**Graph 7 titled ''Cardholder Payment Behaviour**"](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\Graph_7.jpg)) because 400,000 *circa* [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm)–

 a)       have paid in excess of $20,000 each in [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) (charged at [**Usurious Interest Rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Usury_Unsecured_Interest_Rates.htm))over up to a continuous nine years period at anaverage[**Comparison Rate Over 18% Per Annum**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Comparison_Rate_Over_20%25.htm)

b) were misled by [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)[**Targeted At Credit Cardholders With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)thatconstitutes[**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)**;**

c)       have suffered [**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm); and

d)       posses poor [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm)(predominantly Level 1 or below, and some Level 2) as -

           (i)      identified and quantified by the Productivity Commission, the ABS and ASIC separate written reports ([**Chapter 1**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_1.htm)); and

           (ii)     evidenced on a daily basis by 500 *circa* [**Financial Counsellors**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\Australian_Govts_allocate_$43m_annually.htm)employed by 44 charities/community organisations that collectively receive $43 million annually from the Commonwealth Govt. ($20m) and the State Govts ($23m) via [**Financial Counselling Australia**](https://www.financialcounsellingaustralia.org.au/Home)([**Chapter 7**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_7.htm)).

**2.       Earlier this year, the** [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **provided all necessary evidence to** [***Bank Reform Now***](https://www.bankreformnow.com.au/)**for it to lobby for a *second wave* of the Royal Commission focusing on a breach of** [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) **by the** [**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)

The[***Bank Reform Now* website**](https://www.bankreformnow.com.au/) proclaims:

***"The banking system is corrupt. The time has come to clean it up.  
Take action to help bring about essential bank reforms.  
It must be done. It can be done. It will be done - with your help."***

Itattests -

* [**Donate & Benefit**](https://www.bankreformnow.com.au/donate)
* [***Tell us your story***](https://www.bankreformnow.com.au/stories)
* [**Find Out About BRN**](https://www.bankreformnow.com.au/about/bank-reform-now-overview)
* [**Take Action Now!**](https://www.bankreformnow.com.au/take-action)

*Bank Reform Now*'s  **[Facebook](https://www.facebook.com/bankreformnow/)** and [**Twitter**](https://twitter.com/bankreformnow?lang=en)make similar representations.

The [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)posted his initial submission to [**Dr. Peter Brandson, Bank Reform Now dated 16 March 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\Letter_to_Peter_Brandson_16-Mar-19.htm) in A4 hardcopy, USB Flash Drive and 2 DVDs under the following title/headings:

**1.        Second Wave of Royal Commission into Financial Services:**

**Duration:  Two weeks (one week of hearings followed by one week of questioning/cross examination of financial regulators in particular the** [**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)**)** [**One Week Of Hearings - Six Hours a Day For Five Days**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\one_week_of_hearings_six_hours.htm) **from**

**(1)** [**Financially Uneducated And Vulnerable Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm) **identified by the RBA as** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm) **- sourced by** [**Financial Counsellors**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\Australian_Govts_allocate_$43m_annually.htm)**; and**

**(2)**[**Quantitative, Qualitative, *Credit Card Distress* Authorities, Numeracy And Literacy Authorities, And Newspaper Article Evidence Of Unfair Credit Card Practices Which Prey Upon Financially Uneducated And Vulnerable Australians By Numeracy And Literacy Discrimination**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\QuantitativeQualitativeExpertAuthority&NewspaperEvidence.htm)**, in particular** [***Credit Card Distress* Authorities**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\'CreditCardDistress'Authorities.htm) **and** [**Numeracy And Literacy Authorities**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyAuthorities.htm)

**Then one week of cross examination/questioning of -  
 (A)      Governor of the** [**RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) **(re 'Sixteen Questions" in 2. of** [**Version2 of Letter to Dr. Peter Brandson dated 16 March 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\Letter_to_Peter_Brandson_Version2_16-Mar-19.htm)**); and   
 (B)      Chairman of APRA, ASIC, ACCC and CEO of ABA (re another 6 Questions in 2. of** [**Version2 of Letter to Dr. Peter Brandson dated 16 March 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\Letter_to_Peter_Brandson_Version2_16-Mar-19.htm)**)**

**Singular Term of Reference:   Breach of** [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) **by the** [**RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) **as** [**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) **through its** [**Payments Systems Board**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\PaymentsSystemBoard’sMandate&Objectives.htm) **that countenanced** [**Predatory Marketing**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm) **of** [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm) **to** [**Financially Uneducated And Vulnerable Australian  Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm) **- many have paid** [**Usurious Unsecured Interest Rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Usury_Unsecured_Interest_Rates.htm) **and suffered** [**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm) **contrary to the RBA's parliamentary decreed role to ensure** [**"...the economic prosperity and welfare of (all) the people of Australia"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attachment%20'C'__RBA-Our_Role.htm)

**2.       Sixteen of the** [**Thirty Two Written Questions**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm) **(to extend the Royal Commission to address *inter alia* 1. above) are directed at the Governor of the Reserve Bank of Australia - some will be difficult and embarrassing to answer.  A further six Questions are directed to other financial services regulators**

The [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)posted Version 2 of his original submission to [**Dr. Peter Brandson, *Bank Reform Now* dated 9 April 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\2nd_Letter_to_Peter_Brandson_9-Apr-19.htm)**.**

The Writerposted his 3rd letter (also in DVDs, USB Stick and A4) to [**Dr. Peter Brandson, *Bank Reform Now* dated 2 Aug 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankReformNow\3rd_Letter_to_Peter_Brandson_2-Aug-19.htm)**.** Below is a sentence from that 3rd letter:

''The[Writer](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)welcomesdiscussing with you his above work, after you have sought a lawyer, versed in “statutory interpretation”, to appraise the above referenced sections of legislation that govern the RBA's statutory obligations.''

Notwithstanding the above claims on the [***Bank Reform Now* website**](https://www.bankreformnow.com.au/)**,** the Writernever received any response from Dr. Peter Brandson.

Click on [**Thirty Questions and Supporting Evidence**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm)for a *second wave* of the Royal Commission to consider asking -

A.       [**"the principal regulator of the payments system through the PSB"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm), and Chair of the [**Council of Financial Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\council_of_financial_regulators.htm), that -

  (1)     has [**extensive powers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)to request information from payment system participants and operators regarding *inter alia* [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Debit_Cards.htm) under, amongst other clauses,[**Part 5—Miscellaneous, Section 26**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Part%205—Miscellaneous.htm)of the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf);

  (2)     is bound to **" ....inform the Government, from time to time, of the Bank's monetary and banking policy"** under [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm) having regard to its obligations under [**Section 10(2) 'Functions of Reserve Bank Board' of Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Section_10_Functions-of-the-RBA_Board..htm) to *"***best contribute to.......... the economic prosperity and welfare of the people of Australia**"; and

  (3)     holds authority under [**Division 4, Section 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\section_18.htm) of the [**Payments System Regulation Act 1998**](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html) to set Standards that *"*[***are in the public interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)*"* for a previously 'designated Payments System (under [**Division 2**—**Section 11 of the *Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_2_Section_11.htm)after having also imposed an [**Access Regime**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm)under[**Section 12**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm)

Between 1960 and 1980 Australia's 'central bank', the Reserve Bank, diligently regulated Australia's commercial bank interest rates relying on, *inter alia*, [***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) [**"......... to achieve monetary policy, public sector financing and sectoral assistance objectives....."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\WestpacReportOnDereg\WestpacReportOnDeregulation.htm), as well as safeguarding against further bank collapses (chronicled in [**Chapter 17**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm)).  The RBA capped the maximum interest rate on Credit Cards in Australia at 18% until April 1985;

B.        the Chair of ACCC as to whether particular aspects of Credit Card Issuers' marketing representations fall within the ACCC's definition of[**Unconscionable Conduct;**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)

C.        the Chair of APRA regarding his undertaking to a Senate Enquiry on 3 June 2017 that included:

**"....the margins on credit card business look very high, certainly to any other form of credit, and certainly I can't sit here today with an explanation of why that is,"............ and ............ "Informing us all about that is probably a useful piece of work"**?

D.        the Chair of ASIC to inform what action ASIC took to protect [**Financially Uneducated And Vulnerable**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)Credit Cardholders that have poor [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm), after ASIC published [**Report 224 "Access to financial advice in Australia"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ASIC\rep224.pdf)in Dec 2010 that included:

**" ..... the ABS measured skills in document literacy, prose literacy, numeracy and problem solving and found that approximately 7 million (46%) of Australians (and 7.9 million (53%) of Australians aged 15 to 74) had proficiency less than the minimum required for individuals to meet the complex demands of everyday life and work emerging in the knowledge-based economy‘ for document literacy and numeracy respectively"**.

The UK Guardian article **'**[**The interest-free credit card trap snaring unwitting borrowers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Guardian\interestfree_credit_card_trap.htm)**'** is rife with examples of UK Credit Card Issuers' [**Predatory Marketing**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)directed at[**Financially Uneducated And Vulnerable**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)Credit Cardholders that[**Lack Financial Acumen**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Lack_Financial_Acumen.htm).  There is a welter of evidence that U.S. Credit Card Issuers are not immune from similar [**Unconscionable Credit Card Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm).

One could presuppose: *"Well why shouldn't it be any different in Australia?*"  It SHOULD be different in Australia, because Australia's 'central bank' has unique powers and exceptional responsibilities "...to....**......** [**the economic prosperity and welfare of the people of Australia**](https://www.rba.gov.au/about-rba/our-role.html)" and for its [**Payments Systems Board**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\PaymentsSystemBoard’sMandate&Objectives.htm) to always [***Act in the Public Interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm), not held by the 'central bank' of the UK or the USA.

Below is an extract from the Writer's page titled [**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm):

"The Reserve Bank of Australia -

            A.      has powers to gather financial information from ADIs under[**Part 5—Miscellaneous, Section 26**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Part%205—Miscellaneous.htm)of the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf); and

            B.      has responsibilities to *'inter alia' "***best contribute to.......... the economic prosperity and welfare of the people of Australia**" in terms of [**Section 10(2) 'Functions of Reserve Bank Board' of Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Section_10_Functions-of-the-RBA_Board..htm) which includes -  
**" ....inform the Government, from time to time, of the Bank's monetary and banking policy"** under [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm)**;**

to set Standards that *"*[***are in the public interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)*"* relying on [**Division 4, Section 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\section_18.htm) of the [**Payments System Regulation Act 1998**](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html) for a designated Payments System in 2001 (under [**Division 2**—**Section 11 of the *Payment Systems (Regulation) Act 1998***;](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_2_Section_11.htm) and

to re-regulate commercial bank interest rates 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)that *"*[***are in the public interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)*",*

  that are more extensive/inflexible/onerous than the -

  1.       [**Bank of England**](https://www.bankofengland.co.uk/), that was not nationalised as Britain's central bank until 1946, which is a corporation wholly owned by the UK government - the '[**Corporate governance: Board responsibilities**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankOfEngland\CorporateGovernance-BoardResponsibilities.htm)' – SS5/16 (Short form) focus on the Corporates it regulates with no apparent obligation to best contribute to the peoples of Britain; and

  2.       [**U.S. Federal Reserve that was established as the United States' central bank until 1913**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Federal_Reserve\About_%20Federal_Reserve_System.htm)**,** although the below item 7. "[**Promoting Consumer Protection and Community Development**](https://www.federalreserve.gov/pf/pdf/pf_7.pdf)**."** obligates the U.S. Fed to research the impact of financial services practices on consumers and communities:

                      "The Federal Reserve advances supervision, community reinvestment, and research to increase understanding of the impacts of financial services policies and practices on consumers and communities."

Australia's 'central bank' has never exercised its rights -

\*       under [**Part 5—Miscellaneous, Section 26**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Part%205—Miscellaneous.htm)of the[***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf)to ask for financial data from the major [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) of [**Interest & Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) revenue for each of their Credit Cardholders for all [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm) for a minimum of 12 months in order to establish if the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm) applies, notwithstanding that the RBA argued for greater application of the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm) in its paper"[**Reform of Credit Card Schemes in Aust:  "A Consultation Document**"](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm) in Dec 2001; or

\*       under[**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm) to " **....inform the Government, from time to time, of the Bank's monetary and banking policy"** having regard to its obligations under [**Section 10(2) 'Functions of Reserve Bank Board' of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Section_10_Functions-of-the-RBA_Board..htm) to ***"*best contribute to.......... the economic prosperity and welfare of the people of Australia"**, to set new Standards under [**Division 4, Section 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\section_18.htm) of the [**Payments System Regulation Act 1998**](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html)tore-regulate a maximum Purchase interest rate and a maximum Cash Advance interest rate after it published [**LOAN RATE STICKINESS: THEORY AND EVIDENCE**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\rba\rdp9206.pdf) in June 1992 to adopt other [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm) fee changes that -

          \*        the RBA recommended in [**Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm)**;** and

          \*        the [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) recommended in[**Section 8**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Section_8_of_Writer's_letter_to_RBA_dated%208_Dec_11.htm)of his letter (on CD) to the [**RBA dated 8 Dec. 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Response_to_RBA_8_Dec_11b.htm)- explained in Point 9 of [**Supporting Evidence re 1st Question**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\1st_Q.htm).

**3.       In April 1985 the RBA removed an 18% interest rate cap on Credit Cards when the overnight cost of funds** **was 17.2%.**   
**In the past** [**"... when de-regulation resulted in adverse consequences, re-regulation ensued..."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Prior_to_the_Campbell_Report,_RBA_rulled_with_Iron_Fist.htm)**.  But not this time.**

[**The RBA capped the maximum interest rate on Credit Cards in Australia at 18% until April 1985**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Price_stickness_in_credit_card_interest_rates.htm)**.** The cap was withdrawn when the[**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)was a smidgeon over 17% during an era of very high inflation. [**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm), the RBA, should have re-imposed a maximum interest rate on [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Debit_Cards.htm) over 25 years ago when the spread between the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)and the average[**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm)interest rate[**exceeded 16% -  back in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)**.**

Significantly**,** [**prior to the Campbell Report *circa* early 1980's, the RBA regulated all Australian bank interest rates with an *Iron Fist*** -**"... when de-regulation resulted in adverse consequences, re-regulation ensued..."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Prior_to_the_Campbell_Report,_RBA_rulled_with_Iron_Fist.htm). Prior to The Campbell Committee recommendations Australian banks had been highly regulated - dating back to the failure of banks in the 19th century.  The particulars of deregulation are well covered by:

\*        "[**Overview of Financial Services Post-Deregulation - 2002**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\FiduciaryDuty\overview_of_financial_services_post_deregulation.htm)-  Dr. Diana Beal

\*        **"**[**CHANGES IN THE BEHAVIOUR OF BANKS AND THEIR IMPLICATIONS FOR  
 FINANCIAL AGGREGATES - July 1989**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\changes_in_the_behaviour_of_bank.htm)**"** - Battellino and McMillan

\*        [**Consumer Affairs Victoria  *-  Regulating the cost of credit -* Research Paper   
 No. 6 2006**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ConsumerAffairsVic\consumer_affairs_victoria.htm)

**\*** [**The Unpleasant Truth About Australian Banking**](https://www.bankinfoline.com/report-intro.html)**-  [bankinfoline.com](http://www.bankinfoline.com)**

By its own admission in [**Box 8A**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Box_8A.jpg) ofthe [Reserve Bank's **Submission to the Financial System Inquiry - March 2014**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\financial-system-inquiry-2014-03.pdf), **"The Reserve Bank is the principal regulator of the** [**payments system**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payments_System.htm) **through the PSB."** The [**payments system**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payments_System.htm)includes control over [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm).

[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm), as identified by the RBA in [**Graph 7** '**Cardholder repayment behaviour**'](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Graph_7.jpg) invariably possess only Level 1 or Level 2 [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm) (as measured by the Productivity Commission and the ABS).  *Persistent Revolvers* have paid a horrible price since the [**18% cap on Credit Card interest rates was removed by the RBA in April 1985**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Price_stickness_in_credit_card_interest_rates.htm) – Latitude Financial's Money Go MasterCard credit card had a [**Cash Advance**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm) interest rate of 29.49% until last March .  [**It is now 25.9%, but now incorporates a Cash Advance Fee of $3 or 3% of the cash advance, whichever is greater**](https://www.latitudefinancial.com.au/credit-cards/go-mastercard.html)= 28.9%. There are over 16 million Credit Cards in Australia. *Persistent Revolvers* hold 12.58% of those 16 mil Credit Cards. *Persistent Revolvers* pay[**80% *circa* of the Interest, Penalty Fees and Cash Advance Fees shown in the Credit Card Revenue pie chart.**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\Revenues.jpg)

[**Chapter 5**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)and[**Chapter 17**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm)note *inter alia* that between 1960 and 1980 the Reserve Bank diligently regulated Australian commercial bank interest rates 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 as amended***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00750-Banking_Act_1959_current_Feb-17.pdf)**.** Until 1980 banks could not offer more than 3¾% on a passbook account and 6½% interest on a Savings Investment Account (minimum account balance of $500, deposits and withdrawals must be $100 or greater, and 7 days written notice had to be given to the bank for all withdrawals).   [**"......... to achieve monetary policy, public sector financing and sectoral assistance objectives....."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\WestpacReportOnDereg\WestpacReportOnDeregulation.htm), as well as safeguarding against further bank collapses (chronicled in [**Chapter 17**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm)).

[**Chapter 5**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm) notes:

The purpose of regulation (until 1980) was [**"......... to achieve monetary policy, public sector financing and sectoral assistance objectives....."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\WestpacReportOnDereg\WestpacReportOnDeregulation.htm), as well as safeguarding against further bank collapses.

Leading up to 1980, building societies (unregulated) were offering materially higher interest rates and attracting bank customers deposits '*in droves*'.

[**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 offered by NBFIs in late '70s 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)): '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."**

Prior to Aug 1993, [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) were restricted from charging an Annual Fee on Credit Cards as the various State Credit Acts prohibited most [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) from charging annual fees if they charged interest on credit card purchases (e.g. *Credit Act 1984*(NSW) s 54).  Following a recommendation from the Prices Surveillance Authority’s 1992 '**Inquiry Into Credit Card Interest Rates**', State legislatures issued exemption orders which allowed all financial institutions to charge both interest and fees on credit cards from 1 August 1993.

Below is 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."**

[**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."**

[**"the principal regulator of the payments system through the PSB"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm), and Chair of the [**Council of Financial Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\council_of_financial_regulators.htm) -

  (1)     has [**extensive powers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)to, *inter alia*, request information from payment system participants and operators regarding [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Debit_Cards.htm) under, amongst other clauses,[**Part 5—Miscellaneous, Section 26**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Part%205—Miscellaneous.htm)of the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf);

  (2)     is bound to **" ....inform the Government, from time to time, of the Bank's monetary and banking policy"** under [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm) having regard to its obligations under [**Section 10(2) 'Functions of Reserve Bank Board' of Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Section_10_Functions-of-the-RBA_Board..htm) to *"***best contribute to.......... the economic prosperity and welfare of the people of Australia**";

  (3)     holds authority under [**Division 4, Section 18**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\section_18.htm) of the [**Payments System Regulation Act 1998**](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html) to set Standards that *"*[***are in the public interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)*"* for a previously 'designated Payments System (under [**Division 2**—**Section 11 of the *Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_2_Section_11.htm)after having also imposed an [**Access Regime**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm)under[**Section 12**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm)**.**

Re (2) above, sub clause (xiii) of [**Section 51 of the Australian Constitution**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/~/link.aspx?_id=AFF6CA564BC3465AA325E73053DED4AA&_z=z#chapter-01_part-05_51) behoves the Australian Parliament to place serious weight on any recommendation by the RBA re "banking".

[**After sharing emails with Ms. Sharon van Etten, Public Relations Officer, Media & Public Relations Office**, **Reserve Bank of Australia**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\PhilJohnston'sEmailToRBA_sentTues20Dec.htm), the [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) posted his[**extensive submission (on 3 CDs and A4) to the RBA in Dec 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Response_to_RBA_8_Dec_11b.htm)seeking application of the[***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)***.*** [**Section 8**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Section_8_of_Writer's_letter_to_RBA_dated%208_Dec_11.htm)of his submission accords withrecommendations within"[**RBA's Reform of Credit Card Schemes in Aust:  "I A Consultation Document" – Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm)**.  "**[**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**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm)**."**

The [**RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) should then have imposed a maximum interest rate on all [**Credit Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm)**s** -

1.for all [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm)**s** a maximum interest rate of850 basis points; and

2.        for all [**Cash Advances**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Advance.htm)of 950 basis points,

above the RBA official interest rate ([**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm))**.** But it should have re-imposed a maximum interest rate over 25 years ago when the spread between the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)and the average [**Purchase**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm)interest rate[**exceeded 16% -  back in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)**.**

**4.       400,000 *circa* Credit Cardholders with Poor Numeracy and Literacy Capacity, often through no fault of their own, have paid a frightful price because of Unconscionable Credit Card interest rates,** [**Predatory Marketing**](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)

As detailed in the Writer's [**Submission to Maurice Blackburn dated 25 June 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm) seeking a [**Class Action**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Class_Actions.htm) against the RBA for breach of its [**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm) and [**Fiduciary Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Fiduciary_Duty.htm), 400,000 *circa* [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) across Australia-

a)        have paid in excess of $20,000 each in [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm) (charged at [**Usurious Interest Rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Usury_Unsecured_Interest_Rates.htm))during up to a continuous nine years period at anaverage[**Comparison Rate Over 18% Per Annum**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Comparison_Rate_Over_20%25.htm)**;**

b) were misled by [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)[**Targeted At Credit Cardholders With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)thatconstitutes[**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)**;**

c)        have suffered [**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm); and

d)        posses poor [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm)(predominantly Level 1 or below, and some Level 2) as -

           (i)      identified and quantified by the Productivity Commission, the ABS and ASIC  
 separate written reports ([**Chapter 1**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_1.htm)); and

           (ii)      evidenced on a daily basis by 500 *circa* [**Financial Counsellors**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\Australian_Govts_allocate_$43m_annually.htm)employed by 44 charities/community organisations that collectively receive $43 million annually from the Commonwealth Govt. ($20m) and the State Govts ($23m) via [**Financial Counselling Australia**](https://www.financialcounsellingaustralia.org.au/Home)([**Chapter 7**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_7.htm)).

Hardly a month goes by without another[**newspaper article**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\Newspaper_articles_re_credit_card_debt.htm), or report by [**ASIC**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ASIC\ASIC’s_Review_OfCreditCardsRevealsMoreThanOneInSixConsumersStrugglingWithCreditCardDebt.htm)**,** the[**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Graph_7.jpg)or a plea from a [***Credit Card Distress* Authority**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\'CreditCardDistress'Authorities.htm), regarding the debt burden born by a small number of[**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), invariably with[**Poor Numeracy and Literacy Skills**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyRangeOfAustralians.htm)that the RBA has referred to as[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm).  Meanwhile two thirds of Credit Cardholders, described by the RBA as [***Transactors***,](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm) enjoy their [**Lines of Credit**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Line_Of_Credit.htm)a virtually no cost, because [**Annual Cardholder Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Annual_Cardholder_Fee.htm) account for only 2% of [**Interest And Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm).

[**Is Australia really an egalitarian country?  Five Prime Ministers have *talked it*, but our Federal Govt hasn't *walked it*, obligated under Section 51 (xiii) of the Australian Constitution, to the detriment of Financially Uneducated And Vulnerable Australians that possess, through no fault of their own, poor Financial Literacy Skills; some Credit Card Issuers have deployed Predatory Advertising and charged Usurious Interest Rates and Penalty Fees, Targeted At Credit Cardholders With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Egaliterian_Country.htm)**.**

St Vincent de Paul, Salvos, Anglicare *et al* provide a welter of [**Financial Counsellors**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Comms\Financial%20Counsellors)where[**Credit Card Debt**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Debt.htm) [**Accruing Interest**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Debt.htm), often spread over several Credit Cards, is invariably the root of[**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm)**.** [**Australian Governments allocate $43.38 million annually to 44 Australian charities to provide financial counselling to Australians that are experiencing Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\SMH\Australian_Govts_allocate_$43m_annually.htm)**.** [**National Debt Helpline**](http://www.ndh.org.au/) is a not-for-profit service that provides professional counsellors to help Australians tackle their debt problems.

**5.        A brief *second wave* of the Royal Commission *to right the wrongs* within the most differentiated *Product* in the entire *Western World*, because -**

**\*        12.58% of all Credit Cardholders, invariable with low Financial Literacy Capacity, have paid 80% *circa* of all** [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)**; and**

**\*        five former Prime Minister's have attested that Australia is an** [**egalitarian country**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Egaliterian_Country.htm)

The[**Interim Report from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\InterimReport\Interim_Report_of_the_Royal_Commission.htm)found faults in the regulatory performance of[**ASIC**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ASIC\ASIC.htm)and[**APRA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\APRA\APRA.htm)**.** Alas it did not investigate patent [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)amidst the most widely used lending product in Australia, namely [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)  - the antithesis of the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)with 67% *circa* of Credit Cardholders, known as [***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm), enjoying a [***Free Ride***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Free_Ride.htm), whilst 12.54% *circa* of **Credit Cardholders**, identified by the Reserve Bank as [***Persistent Revolver***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\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).  The complexity and massive differentiation within [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)is conceivably the reason that Commissioner Hayne avoided investigating the marketing and pricing by some Credit Card Issuers.

The Royal Commission into Financial Services in 2018 failed to recognise an allegedmanifestbreach of[**Statutory Duty**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Statutory_Duty.htm)by the [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) (summarised in[**Extensive Powers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)and[**Parliamentary Bestowed Mandate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)) by not recommending to the Federal Govt., as far back as July 1992, to reintroduce a maximum interest rate on Credit Cards, pursuant to under [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm)and the various Federal Govts for not invoking [**sub clause (xiii) of Section 51 of the Australian Constitution**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/~/link.aspx?_id=AFF6CA564BC3465AA325E73053DED4AA&_z=z#chapter-01_part-05_51)to pursue a maximum interest rate on Credit Cards.

Pursuant to the [**Royal Commissions Act 1902 (Cth)**](http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/rca1902224/) and[**clauses (g), (h) and (j) of the Terms of Reference**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Signed-Letters-Patent-Financial-Services-Royal-Commission.pdf)of the 2018[**Royal Commission into misconduct in the Banking, Superannuation and Financial Services Industry**](https://financialservices.royalcommission.gov.au/Pages/default.aspx)**,** the Writer seeks by 1 April 2020 a *second wave* (two weeks of hearings/cross examination) that-

1.        investigates the Writer's alleged systemic failings of the non-statutory [**Council of Financial Regulators**](https://www.rba.gov.au/fin-stability/reg-framework/cfr.html)performance over the[**Credit Cards Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Payment_Schemes.htm)and the highly differentiated[**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)**;** and

2.        seeks the[**Council of Financial Regulators**](https://www.rba.gov.au/fin-stability/reg-framework/cfr.html)to account for the alleged inept behaviour identified in this letter, not limited to requiring the[**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)to-

          (i)     elucidate on the RBA's [**Extensive Powers and shoulders Responsibilities to All Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)and for its [**Payments Systems Board**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\PaymentsSystemBoard’sMandate&Objectives.htm) to always [***Act in the Public Interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)***;*** responsibilities not held by the 'central bank' of the UK or the USA, namely the US Federal Reserve and the Bank of England to –

(a)       request any financial information from ADIs that it wants to examine; or

                   (b)       responsibilities to [**"........best contribute to........the economic prosperity and welfare of (ALL) the people of Australia"**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attachment%20'C'__RBA-Our_Role.htm)**.**

         (ii)    explain why it did not recommend to the Federal Govt to reintroduce a maximum interest rate on Credit Cards when the [**Bank Interest Rate Margin**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\BANK_INTEREST_RATE_MARGINS.htm)exceeded [**16% -  back in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm), pursuant to [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm), mindful of [**sub clause (xiii) of Section 51 of the Australian Constitution**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/~/link.aspx?_id=AFF6CA564BC3465AA325E73053DED4AA&_z=z#chapter-01_part-05_51).

         (iii)    recommend to the Federal Govt under [**Section 11(1) of the Reserve Bank Act 1959**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Sect_11_Reserve_Bank_Act_1959.htm) a maximum interest rate for all Purchases and a slightly higher maximum interest rate for all Cash Advances; and

         (iv)    reflect, with the value of hindsight, if the below concern expressed by the then Westpac CEO, Bob Joss, (previously Wells Fargo) to the [**Wallis Inquiry**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Wallis\WallisReportOnAustralianFinancialSystem.htm)in 1997 was prophetic:

["Also relevant is the Inquiry’s concern with fairness, or the equitable treatment of the various users of the financial system."](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ACA_Lawyers\SubmissionLetterTo_ACA_Lawyers.htm)

**"**[**Protection of consumers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\WestpacReportOnDereg\WestpacReportOnDeregulation.htm)

[**On-going monitoring of credit card pricing in anticipation of a substantial inquiry into the effects on consumers of the deregulation of credit card interest rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\WestpacReportOnDereg\WestpacReportOnDeregulation.htm)**"**

(v)    comment whether **"**[**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**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm)**."** (**"**[**RBA's Reform of Credit Card Schemes in Aust:  "I A Consultation Document" – Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\consultation_document__dec_2001.htm))was every effectively implemented on the [**Retail Supply Side**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Retail_Supply_Side.htm) of Credit Cards?

        (vi)   opine on the seven other recommendations (in [**Section 8**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Section_8_of_Writer's_letter_to_RBA_dated%208_Dec_11.htm)of the Writer's [**Submission to the RBA dated 8 Dec 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Response_to_RBA_8_Dec_11b.htm))re changes to Credit Cards, many to better protect Australians with poor [**Financial Literacy Skills**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm).

Yours sincerely



Philip Johnston - the [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)