**Insert one of the two enclosed CDs into a Windows PC to auto-open this page.  
About 15 seconds after inserting a CD, left click on the Windows prompt on lower RHS of your monitor.    
Then left click on the file titled 'Letter\_to\_Paul\_Keating\_28-Oct-20.htm' upper RHS to open this letter.  
Left click on it and then left click on the welter of embedded URLs in Blue Text or Red Text or BLACK underlined Bold Text to open associated files.  
To leave a page and return to the previous page, click on the arrow at top left of your screen/monitor.**

**If this page accidentally closes when you leave another page, right click on your CD Drive icon and left click on 'Open Auto Play'.  
Alternatively save the folder 'CreditCards' in a folder on your hard drive, then open 'Comms' folder and click on Letter\_to\_Paul\_Keating\_28-Oct-20.htm and left click on it.**

**If using a MAC, or one of the enclosed two USB sticks, or the enclosed CDs do not auto-open at this letter, then navigate to CreditCards/Comms/Letter\_to\_Paul\_Keating\_28-Oct-20.htm**

[**Annexure A**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Comms\Annexure_A.docx)[**Annexure B**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoExceedinglyCostlyMonthlyInterestChargingPractices.htm)[**Annexure C**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RoyalCom\Questions\Questions_Table.htm)[**Defined Terms and Documents**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Defined_Terms_&_Documents.htm)

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[**scribepj@bigpond.com**](mailto:scribepj@bigpond.com) 0434 715.861

**CONFIDENTIAL        CONFIDENTIAL        CONFIDENTIAL**

28 October 2020                   

The Honourable PJ Keating  
PO Box 1265   
Potts Point  NSW  1335   
Australia

Dear Mr. Keating

[**Prior to the Campbell Report *circa* early 1980's, the RBA regulated all 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)

**The** [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) **breached 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** [**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) **(400,000 *circa* of them) for *inter alia* not informing the Federal Govt. as far back as late 1992** (**obligated 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)**) that it (the RBA) needed to re-impose a maximum interest rate *cap* (limit) on** [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Debit_Cards.htm) **because the spread between the** [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) **and the** [**Purchase Interest Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase_Interest_Rate.htm)[**exceeded 16% (in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)**).** [**Whereas when the 18% interest rate *cap* on all Credit Cards was removed by the RBA in April 1985, the spread was less than 1%, which is why that 18% *cap* was removed**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Prior_to_the_Campbell_Report,_RBA_rulled_with_Iron_Fist.htm)

**The** [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)[**Submission to Maurice Blackburn**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm) **(on CD) sought it to run a** [**Class Action**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Class_Actions.htm) **against the RBA on behalf of 400,000 *circa*** [**Eligible *Persistent Revolver* Plaintiffs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Eligible_Persistent_Revolver_Plaintiffs.htm)**, that are** [**Financially Uneducated And Vulnerable Australian Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm) **with poor** [**Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm) **that had been preyed upon by** [**Predatory Advertising**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)**.  Each of the 400,000 *circa* had paid in excess of $20,000 in** [**Interest and Penalty Fees**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)**, too often enduring** [**Unconscionable Credit Card Interest Charging**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\UnconscionableCreditCardInterestCharging.htm) **at** [**Usurious Interest Rates**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Usury_Unsecured_Interest_Rates.htm)**.** [**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) **contains a veritable welter of evidence, across a variety of platforms, of *inter alia*** [**Extreme Financial And Emotional Distress Suffered**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm) **by the 400,000 *circa*** [**Eligible *Persistent Revolver* Plaintiffs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Eligible_Persistent_Revolver_Plaintiffs.htm)

[**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) **(two full pages) 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."**

**Meanwhile the Parliamentary appointed *Gatekeeper* with a charter to *inter alia*** *"*[**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)"**,** **had remained *asleep at the wheel.*** [**Prior to the Campbell Report *circa* early 1980's, the same 'central bank' regulated all Australian bank interest rates with an *Iron Fist.***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Prior_to_the_Campbell_Report,_RBA_rulled_with_Iron_Fist.htm)**The** [**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) **has** **been complicit in some** [**Credit Card Providers** **targeting Australians with poor numeracy and literacy skills**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm) **- detailed in** [**Labyrinth of ‘*Concealed Spiders*’**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm)**.   67% of Credit Cardholders, referred to by the RBA as** [***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm)**, receive their** [**Lines of Credit**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Line_Of_Credit.htm) **at virtually no cost, with some receiving** [**Reward Points**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Reward_points.jpg)

**It took the threat to** [**Brand Name**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Brand_Name.htm) **of *inter alios* the** [***Four Pillars***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Four_Pillars.htm) **from a Royal Commission into Misconduct in Banking for a *Red Faced* ABA, under a *parachuted in*, Anna Bligh, to urgently prohibit some** [**Unconscionable Credit Card Practices**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Labyrinth_Of_Concealed_Spiders.htm) **by regulating ALL** [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) **in Aust. to implement, no later than 1 July 2019, the ABA's '**[**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm)**' that *inter alia*** [**Outlawed**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABC\Banks_revamp_code_of_practice.htm) **the** [**Unconscionable Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm) **of charging interest on all** [**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) **made during the previous month unless every dollar of those** [**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm) **was repaid by the** [**Payment Due Date**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payment_Due_Date.htm) **- that existed in** [**Example 1 - Unconscionable Conduct - St George Visa Card**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Uncon_Cond\StGeorge\Example_1_St_George_Visa.htm)**.**

**1.       Overview**

[**In May of this year, Choice CEO, Alan Kirkland, asserted that Credit Card Providers have stolen $6.3 billion from customers “by failing to pass rate cuts on for credit cards, banks have effectively stolen $6.3 billion from the pockets of Australians,” Mr Kirkland said**](https://www.msn.com/en-au/news/australia/australian-banks-save-billions-by-failing-to-pass-on-interest-rate-cuts-to-credit-card-customers-choice-research-finds/ar-BB15ftkg)**.**

**"**[**The 10 worst credit cards in Australia – and why you should avoid them like the plague**](https://www.choice.com.au/money/credit-cards-and-loans/credit-cards/articles/credit-card-interest-rates-the-ten-worst-cards)**":**

**\*    "**[**CHOICE is calling on banks to cap interest rates at 10% to stop the spread of   
 long-term credit card debt"  
  
\*    "High-interest cards can have you paying back nearly ten times more in interest than   
 low-rate cards over the long term**](https://www.choice.com.au/money/credit-cards-and-loans/credit-cards/articles/credit-card-interest-rates-the-ten-worst-cards)**"**

[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm)that account for a mere[**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)contributed a *whopping* 80% *circa* of that $6.3 billion [**Interest And Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm)due to [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm)not passing on falls in the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)**.** The remaining 20% of that$6.3 billion was paid by other [***Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm)thataccount for 20.42% *circa* of all [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm).  The remaining 67% *circa* of all [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), described by the RBA as[***Transactors***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Transactors_and_Revolvers.htm)***,*** contributed *zilch* of that $6.3 billion.  Hardly, an example of the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm)that "[**RBA's Reform of Credit Card Schemes in Aust: "I A Consultation Document" – Dec 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoExceedinglyCostlyMonthlyInterestChargingPractices.htm)advocated the application to [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm).  [**But its Board never adopted its own published policy document**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoExceedinglyCostlyMonthlyInterestChargingPractices.htm).

Back in 2011, [**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 on 8 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)to[**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 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)**."**

Following receipt of the [**Writer's comprehensive letter on to the RBA dated 8 Dec 2011**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Comms\Response_to_RBA_8_Dec_11b.htm) in 3 identical CDs, the [**RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) should then have re-imposed a maximum interest rate on all [**Credit Cards**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cards.htm) -

1.of850 basis points *circa* for [**Purchases**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase.htm); and

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

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 almost 19 years earlier when the spread between the [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm)and the [**Standard Purchase Interest Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Purchase_Interest_Rate.htm)[**exceeded 16% -  back in June 1992**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_5.htm)**.** The [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) emailed Ms. Sharon van Etten that he had posted those CDs and A4 hardcopies.  He received no response to his letter on CD dated 8 Dec 2011.

[**Inaction by APRA and ASIC has been attributed to some scandals exposed in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry**](https://www.moneymanagement.com.au/news/policy-regulation/asic-and-apra-accountability-royal-commissioner)**.** Puzzlingly[**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)came out of the Royal Commission unscathed.  It should not have because of the[**Extensive Powers bestowed upon the Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm), in particular under the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf)*,* conferred an obligation upon the RBA to inform the Commonwealth Govt. that it (RBA) needed to re-impose a maximum Credit Card interest rate limit/cap as far back as late 1992 by -

* setting Standards that *"*[***are in the public interest***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\To_Act_In_The_Public_Interest.htm)*"* relying (from July 1998) 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 previously [**Designated**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\DesignationCreditCardSchemesAustralia_2001.htm) 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 previously imposed an [**Access Regime**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\CreditCard_Access_Regime_Feb-2004.htm) under[**Division 3 Section 12**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm)*.*

Below is an extract from [**Designated and Regulated Payment Systems**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\DesignatedAndRegulatedPaymentSystems.htm)that evidenced that the RBA had actioned all the '*conditions precedent*' in order to re-impose a maximum interest chargeable relying upon the [***Payments System Regulation Act 1998***](http://www.austlii.edu.au/au/legis/cth/consol_act/psa1998333/s18.html)**:**

"The RBA -

1. [**'Designated' Credit Card Schemes in Australia on 12 April 2001**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\DesignationCreditCardSchemesAustralia_2001.htm), relying on [**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).  The RBA overtly stressed when it opted to 'Designate' "...credit card schemes in Australia under its regulatory oversight."... that ...*."the standards will not cover the setting of credit card fees and charges to cardholders and merchants, or interest rates on credit card borrowings"*
2. [**Imposed an 'Access Regime' on 23 Feb 2004 on each of the three designated credit card schemes in Australia (Visa, MasterCard and Bankcard)**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\CreditCard_Access_Regime_Feb-2004.htm) relying upon [**Division 3 - Access to designated systems, Subdivision A - Access regimes**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\AccessRegimes\Division_3_Access_to_Designated.htm) of the [**Payment Systems (Regulation) Act 1998**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf); and
3. [**Determined 'Standards'**](http://www.rba.gov.au/payments-and-infrastructure/payments-system-regulation/regulations.html) pursuant to [**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) that "*are in the public interest"* on 1 Sept 2016 and 1 July 2017*.*

Failure to notify successive Commonwealth Govt’s that the [**Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm) needed to re-impose a maximum interest rate to protect *in alios* [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm) with poor [**Numeracy and Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financial_Literacy.htm) constitutes gross negligence and willful misconduct of its regulator obligations under civil law because –

1)         RBA’s 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 2001argued for greater application of the [***User Pays Principle***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\User_Pays_Principle.htm); and

2)         [**Six Pivotal Credit Card Publications**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABC\Six_Pivotal_Credit_Card_Publications.htm) during the last 26 years, three of which were written by the RBA, identified that interest rates on Credit Cards against reductions in the cost of funds, were most *sticky*,  **"**[**...The rate on credit cards is found to be the most *sticky*, followed by personal loan rates, the housing loan rate and the small business overdraft rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\loan_rate_stickiness.htm)**"**; and

3)       12.58% of all [**Credit Cardholders**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Cardholders.htm), described by the RBA as [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm) have paid 80% of all [**Interest and Penalty Fees Revenue**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Interest_And_Penalty_Fees_Revenue.htm).

Section 2 B. of [**Extensive Powers and Responsibilities**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)evidence that the RBA's *powers* and *obligations* to *'inter alia' "*best contribute to.......... the economic prosperity and welfare of the people of Australia" are **"**[**unique among central banks**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm)**"** andexceed the obligations upon the USA and UK 'central banks', [**U.S. Federal Reserve**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Federal_Reserve\About_%20Federal_Reserve_System.htm) and [**The Bank of England**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankOfEngland\CorporateGovernance-BoardResponsibilities.htm) respectively, to their peoples' welfare.

Recommendation 30 (page 254) of the Australian Govt [**Financial System Inquiry - Final Report** - **Nov 2014**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Treasury\p2014-FSI-01Final-Report.pdf)  recommended "Strengthening the focus on competition in the financial system" by reviewing **"the state of 'competition' in the financial system every three years"**:

|  |
| --- |
| **Recommendation 30**  **Review the state of competition in the sector every three years, improve reporting of how regulators balance competition against their core objectives, identify barriers to cross-border provision of financial services and include consideration of competition in the Australian Securities and Investments Commission’s mandate.** |

"As an immediate first step, regulators should examine their rules and procedures to assess whether those that create inappropriate barriers to competition can be modified or removed, or whether alternative **and more pro-competitive approaches can be identified**.42  **Each regulator should report back to Government prior to the first external review of the state of competition**.

Government should update ASIC’s mandate to include a specific requirement to take competition issues into account as part of its core regulatory role.43

**These proposals are in addition to the recommendations in this report addressing sectoral issues in banking, payments and financial markets**."

Both ASIC and Australian Treasury are members of the[**Council of Financial Regulators**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\council_of_financial_regulators.htm)**.** The abovementioned [**Financial System Inquiry Final Report sits on the Australian Treasury website**.](https://treasury.gov.au/publication/c2014-fsi-final-report) Notwithstanding the need to "**Review the state of competition in the sector every three years**", seemingly, neither ASIC, nor Australian Treasury, has ***nudged*** the RBA to re-impose a maximum interest rate on Credit Cards or indeed encourage Credit Card Issuers to reduce interest rates on their existing Credit Cards.  Apart from the ACCC, or regulators are adept at *keeping a chair warm.*

**2.       Australia's *Central Bank* previously regulated all bank interest rates**

[**Prior to the Campbell Report *circa* early 1980's, the RBA had imposed an 18% maximum interest rate upon all Credit Card Issuers*.***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Prior_to_the_Campbell_Report,_RBA_rulled_with_Iron_Fist.htm)Australia's banking history evidences that [**"... 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).  Due to failures of banks in the 19th century, Australian banks had been highly regulated.  [**Particulars of deregulations and subsequent re-regulations are well chronicled**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ParticularsOfDeregulationAndSubsequentRe-regulationAreWellChronicled.htm)**.** [**That 18% cap on the maximum interest rate on all Credit Cards was withdrawn in April 1985**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Price_stickness_in_credit_card_interest_rates.htm) when the[**Overnight Cash Rate was a smidgeon over 17% during an era of very high inflation**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm).

[**Until 1980 banks could not offer more than 3¾% on a passbook account.**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm)"[**From 1966, when personal loans were introduced, the maximum rate that banks could charge was set by the Reserve Bank.**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Parliament\WrittenQuestions\Chapter_17.htm)**"**

[**Four Economic Reasons for the Campbell Committee Report – Sept 1981**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\CampbellCommittee\FourEconomicReasonsForCampbellReport.htm) notes *inter alia* that the Campbell Report recommended removal of the *caps* on all bank products in an era when commercial interest rates *skyrocketed* and building societies, credit unions and finance companies had been progressively *poaching* traditional national and state bank’s depositors’ balances (accounts) since the late ‘70s. [**“.. by the early 1980s the banks’ share of savings had fallen to 40 per cent, compared with 70 per cent in the early 1950s.**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Deregulation\Australia'sExperienceWithDeregulation.htm)”  The [**Overnight Cash Rate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Cash_Rate.htm) peaked at 20% in June 1985.

**3.       Australia's *Central Bank*'s obligation to the Australian people**

The[**RBA**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm)**,** Australia's 'central bank', has professed itself to be[**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)**.**

The RBA's "[**Our Role**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Images\RBA_Our_Role.jpg)" represents 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)". That obligation to "*the people of Australia*" far exceeds the obligations upon the USA and UK 'central banks', [**U.S. Federal Reserve**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Federal_Reserve\About_%20Federal_Reserve_System.htm) and [**The Bank of England**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\BankOfEngland\CorporateGovernance-BoardResponsibilities.htm) respectively, to their peoples.

The[***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf)obligatesthe[**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)The [**Act**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf) "allows it to undertake more direct regulation of ‘**designated**’ payments systems when it judges it to be in the public interest. This may involve the imposition of **access rules or operating standards** for participants in such systems."

["Increasingly, central banks are being given explicit authority for payments system safety and stability, **but the Board's legislative responsibility and powers to promote efficiency and competition in the payments system are unique**. **This responsibility has broadened the Bank's traditional focus on the high-value wholesale payment systems which underpin stability, to encompass the retail and commercial systems where large transaction volumes provide scope for efficiency gains."**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\Attachment_'D'-Payments_System_Board.htm)

Below are extracts from[**Reserve Bank of Australia Bulletin  -  July 1998 - Australia’s New Financial Regulatory Framework**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\reserve_bank_of_australia_bulletin_July1998.htm)that chronicles the Reserve Bank's powers, set out in the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf), that allow the Reserve Bank to undertake more direct regulation of ‘designated’ payments systems to –

**"... promote competition in the market for payments services, consistent with the overall stability of the financial system..."** when it judges it to be *"in the public interest"* whichmay involve the imposition of **access rules** or **operating standards** for participants in such systems:

"The new Payments System Board is responsible for the Bank’s payments system policy, the objectives of which are:

•     controlling risk in the financial system arising from the operation of the payments system;

•     promoting the efficiency of payments systems; and

•     **promoting competition in the market for payments services, consistent with the overall stability of the financial system**.

The Bank’s powers in this area, set out in the [***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf), **allow it to undertake more direct regulation of ‘designated’ payments systems when it judges it to be in the public interest. This may involve the imposition of access rules or operating standards for participants in such systems. The Act also provides a framework for regulation of purchased payment facilities, such as travellers cheques and stored-value cards."**

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."

[**Below is a brief extract from description of the Reserve Bank of Australia (RBA) by   
Clayton Utz**](https://www.claytonutz.com/knowledge/2014/june/doing-business-in-australia-the-nine-main-regulators)**:**

"The RBA’s monetary policy is primarily directed at maintaining inflation rates at the level most conducive to sustainable growth. The RBA’s financial stability policy aims to prevent excessive risks in the financial system and to limit the effects of financial disturbances when they occur.  Within this role, **the RBA has a particular responsibility for maintaining the efficiency of the payments system.**  The RBA is governed by the Reserve Bank Board and the Payments System Board."

**4.     Australia's *Central Bank* has failed its obligations to the Australian people**

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, or even 6 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 re-regulate a maximum Cash Advance interest rate after it published [**LOAN RATE STICKINESS: THEORY AND EVIDENCE**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\loan_rate_stickiness.htm) 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).

**5.      Australia's *Central Bank* should have regulated most of the changes pronounced in the ABA's** '[**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm) **at least twenty years earlier**

In view of the above noted obligations, at least from the[***Payment Systems (Regulation) Act 1998***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\C2016C00591.pdf), if not several years beforehand, -

**\*** [**Australia's Principal Regulator of the Payments System**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.htm)has 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

**\*** its[**Payments Systems Board**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\PaymentsSystemBoard’sMandate&Objectives.htm) has 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)by failing to "..undertake more direct regulation of ‘**designated**’ payments systems when it judges it to be in the public interest",

due to condoning [**Two Exceedingly Costly Monthly Interest Charging Practices**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoExceedinglyCostlyMonthlyInterestChargingPractices.htm) by many [**Credit Card Issuers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Issuer.htm) that [**Targeted Credit Cardholders With Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)**,** whereupon [**Financially Uneducated And Vulnerable Australians**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)havesuffered [**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm).

Please read [**Two Exceedingly Costly Monthly Interest Charging Practices**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\TwoExceedinglyCostlyMonthlyInterestChargingPractices.htm) carefully because it explicitly evidences that the [**Reserve Bank**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\ReserveBankOfAustralia.htm) has breached 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[**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)**.** [***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Actions\Persistent_Revolvers.htm)that account for a mere[**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)**.** The numeric dollar magnitude of those losses is explained in the[**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)[**Submission to Maurice Blackburn**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm)lawyers**.**

Why is the [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) so adamant that the RBA has patently failed is parliamentary responsibilities?  Answer: Because [**LOAN RATE STICKINESS: THEORY AND EVIDENCE**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\RBA\loan_rate_stickiness.htm) (June 1992) recognisedthat Credit Card Issuers were not passing on reductions in the cost of funds, but did *zilch* about regulating them to lower interest rates on their Credit Cards, yet it possessed the [**Extensive Regulatory Powers**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extensive_Powers_of_the_RBA.htm) to do so:

**4. SUMMARY AND CONCLUSIONS**

This paper examines the degree of price stickiness in the market for bank loans. In the classical world of perfect competition, changes in marpal costs are translated into similar changes in the price of the product. We find that complete pass-through of changes in banks' marginal cost of funds only occurs with the base or reference overdraft rates to large and small business borrowers. **For credit cards, personal loans, owner-occupied housing loans and the standard overdraft rate, changes in the banks' marginal cost of funds have not been translated one for one into the contemporaneous lending rates."**

[**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 later 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.  Below is a critical extract from[**Unconscionable Credit Card Interest Charging**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\UnconscionableCreditCardInterestCharging.htm)**:**

"ABC News article, [**Banks revamp code of practice in face of scandals, royal commission**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABC\Banks_revamp_code_of_practice.htm) -

(A).     informed that the current CEO of the ABA, Anna Bligh, announced in late Dec 2017 that the ABA had just lodged a '[**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm)' with the Australian Securities and Investments Commission (ASIC) for approval; and

(B).     listed several changes that will be legally binding on all 'member banks' of the   
 ABA which includes:

**"Customers only paying interest on what remains on a credit card and not the full amount of purchase if a loan is being paid down."**

The fact that the ABA has made it mandatory in its recently lodged [**Banking Code of Practice**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\ABA\Banking_Code_of_Practice_2019.htm) that its members charge interest on ONLY any unpaid portion of the [**Closing Balance**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Closing_Balance.htm)after the [**Payment Due Date**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Payment_Due_Date.htm)is patent evidence that the previous long-running practice (explained in [**Unconscionable Credit Card Interest Charging**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\UnconscionableCreditCardInterestCharging.htm)) was [**Unconscionable Conduct**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Unconscionable_Conduct.htm)[**Targeted At Credit Cardholders With Low Financial Literacy Capacity.**"](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)

**6.      References to the Writer's earlier approaches on CDs concerning Australia's *Central Bank's* failure to observe its** [**Parliamentary Bestowed Mandate**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Parliamentary_Bestowed_Mandate.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)**" that includes Credit Cardholders with, through no fault of their own, with** [**Low Financial Literacy Capacity**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\NumeracyAndLiteracyTargeting.htm)

* [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) **letter to** [**Ms. Sharon van Etten, Public Relations Officer, Media & Public Relations Office, Reserve Bank of Australia dated 8 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)to Credit Cards.
* [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)[**Submission to Maurice Blackburn dated 25 June 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm)and[**Maurice Blackburn's response letter dated 14 July 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\Maurice_Blackburn_response_letter_14_July_17.pdf)**.**
* [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)[**Submission to Adele Ferguson dated 5 Oct 2019**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Comms\Letter_to_Adele_Ferguson_5-Oct-19.htm)that provided evidence for a Second Wave of the Royal Commission into Financial Services
* [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm)[**Submission to Ian Verrender dated 5 Feb 2020**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Comms\Letter_to_Ian_Verrender_5-Feb-20.htm)that provided evidence for a Second Wave of the Royal Commission into Financial Services.
* [**Writer's Submission to Michael West Media dated 10 July 2020**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Comms\Letter_to_Michael_West_10-July-20.htm) that alleged that the RBA had breached 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[**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)

Neither Adele Ferguson nor Ian Verrender responded to the above written approaches.  Perhaps because [**Credit Card Products**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Credit_Card_Products.htm)are *the most differentiated product* (in both 'variety of types' and 'quantum of providers') in the entire Western World - *by a country mile.* And thelegislation that governs the RBA's obligations and rights is manifold and complex*.*

So complex that 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 Australian**](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)**.**

**7.       Postscript**

If the recent contrite behaviour by the Financial Services Sector, specifically the commercial banks, is to remain, the RBA **must** be held to accountfor the[**Extreme Financial And Emotional Distress**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Extreme_Financial_And_Emotional_Distress.htm)that the [**Financially Uneducated And Vulnerable**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\Financially_Uneducated_And_Vulnerable.htm)[***Persistent Revolvers***](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Persistent_Revolvers.htm), not limited to the400,000 *circa*[**Eligible *Persistent Revolver* Plaintiffs**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Class_Actions\Eligible_Persistent_Revolver_Plaintiffs.htm) that the [**Writer**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\Writer\Writer.htm) presented in his   
[**Submission to Maurice Blackburn in 2017**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\MauriceBlackburn\SecondLetterToMauriceBlackburn_25-Jun-17.htm),have suffered during the last 20 years or so, where the vast majority received their first Credit Card in their late teens or very early adulthood, with *not a skerrick of* money management understanding. But rather [**Predatory Advertisements**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\CreditCards\DefinedTerms\PredatorySaleOfAFinancialProduct.htm)**.**

Yours sincerely



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