

Swan urges unhappy consumers to dump their lenders

Posted by [LC Team](#), Friday, September 5, 2008

Federal Treasurer Wayne Swan has again urged consumers to dump their financial institutions if they are unhappy with the service they are receiving.

Mr Swan has previously been critical of the major banks following their decision earlier this year to raise variable mortgage interest rates independent of action by the Reserve Bank of Australia, and urged borrowers to “vote with their feet”.

But he welcomed the announcements yesterday of the Commonwealth, Westpac, National and ANZ banks to pass on the RBA’s quarter of a percentage point cut to mortgage holders.

“When it comes to the big banks I made it very clear that I expected them to bring down rates as quickly as they put them up,” Mr Swan told reporters today.

“And the announcements from the big banks yesterday are consistent with what they did when rates went up.”

Mr Swan said interest rates for credit cards were not linked to the RBA’s cash rate, but he urged consumers to seek a better deal if they were dissatisfied.

“But let me make this point, if people feel that their company has got settings which are unfair when compared to the rest of the market, they should shift,” he said.

“And when it comes to the credit card market, there is a lot more competition out there and there are plenty of other providers in the market who may be willing to have customers who are disillusioned with a particular brand.”

And he has warned the banks that the government was determined to have a competitive sector.

“I’ve made it very clear that when it comes to deposit-taking institutions, that we need a competitive market and I tell you what, we’ll get them.”

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