

MEDIA RELEASE

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Inquiry should promote trusted business model

Policymakers and regulators who've run out of patience with listed banking institutions should do more to promote the customer-owned model.

That's the Customer Owned Banking Association's key message to the [Senate Inquiry into Co-operatives and Mutuals](#).

"Our model delivers ethical, trustworthy and competitively-priced financial services, with excellent customer service," COBA CEO Mark Degotardi said.

"Yet our model doesn't enjoy competitive neutrality and the regulatory framework doesn't make it easy for consumers to make an informed choice about different providers in banking and financial services.

"Regulators such as ASIC and APRA now say they are targeting the 'culture' of listed banks but they should also be promoting the alternative customer-owned model that always puts the consumer first.

"Rather than just forcing leopards to change their spots, policymakers and regulators should be raising community awareness that not all banking institutions are predators.

"The need for our model is as strong today as it has ever been. Successive scandals have dented consumer trust in many listed banks."

[Research released by COBA](#) shows that just 7% of people have a high degree of trust in the four major banks.

"This is a sobering message, given our concentrated and vertically integrated financial services market," Mr Degotardi said.

"The reality that our market is highly concentrated is masked by a proliferation of sub-brands and a poor disclosure regime.

"COBA has made several recommendations to the Senate Inquiry to better accommodate the customer-owned model, including on regulatory capital, tax and empowering consumers."

To access our submission directly [click here](#)

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Customer Owned Banking Association is the industry body for credit unions, building societies, mutual banks and friendly societies. See www.customerownedbanking.asn.au