



Media Release

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Inquiry shows need for government to act to protect consumers

Bank workers' union Finsec says a parliamentary banking inquiry by Labour, the Progressives and the Greens has shown the government needs to act to protect consumers.

The inquiry confirmed that major banks had not passed on the full benefit of OCR cuts into interest rates charged to customers, despite surviving the global financial crisis comparatively well, said Finsec Campaigns Director Tali Williams.

In one of the inquiry's peer reviews, Professor John Quiggin suggests that "a better conclusion might be that the taxpayer is entitled to **require** that the banks will act as good corporate citizens", a statement Finsec strongly supports.

"New Zealand taxpayers and consumers are currently underwriting the banks' business through the government guarantee schemes. Meanwhile the banks continue to be very profitable and are not doing everything they can to help customers through the global financial crisis. In this case, to the tune of billions of dollars." said Williams.

As part of its submission to the Inquiry, Finsec proposed the establishment of a Financial Consumer Agency – an independent regulatory body to protect and inform consumers and monitor bank behaviour.

"This inquiry outcome shows more than ever it is time for the government to consider what further monitoring and regulation of the banks is required to ensure the banks play fair with customers," said Williams.

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