



For immediate release

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## **Banks' response to inquiry beggars belief**

Bank workers' union Finsec is calling on the banks to stop making disingenuous statements in response to the Banking Inquiry revelation this week that they pocketed over \$2 billion by not passing on the full effect of OCR reductions to customers.

"These statements show they either can't count or are being disingenuous in their response," said Finsec General Secretary Andrew Casidy.

"Just because the combined profits of the four largest banks in 2009 were \$1.5 billion doesn't mean they couldn't pocket \$2 billion. When a company charges more than it ought to, they are pocketing that money at the expense of their customers. It is that simple," said Casidy.

"Consumers know that when a bag of chips or a chocolate bar gets smaller and the price remains the same - they are paying more. Likewise when they are paying more than they should to borrow from a bank, they know the banks were benefiting unfairly at their expense."

"A closer look at their books shows this money is being used to cover the bad loans banks made during the boom times which have now come home to roost and that they are having to set aside huge provisions for tax they didn't want to pay," said Casidy.

"It's a bit rich that the banks refused to front up to the inquiry when asked to but when the outcome is one they don't like, because it exposes the truth, for them to now be crying it's not right," said Casidy.

"Banks have done themselves no favours again and have given New Zealanders even more reason to be cynical about their motivations and their commitment to being socially responsible corporate citizens helping us to get through the tough times."

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