

## Announcement

12 May 2010

1. Claim specialist, Financial Redress Pty Ltd, and its parent company, IMF (Australia) Ltd, announce that they intend to support claims by customers of a number of Australian and foreign banks for repayment of exception fees deducted by the banks from customer accounts over the last 6 years.
2. Financial Redress is a wholly owned subsidiary of IMF formed to assist clients making claims against financial institutions.
3. Australia's pre-eminent class action lawyers, Maurice Blackburn, have been retained to act in the litigation.
4. The proposed litigation concerns the practice of banks deducting unfair exception fees from customer's accounts.
5. The size and extent of these fees have been out of all proportion to the true costs incurred by the banks.
6. The fees in question are honour and dishonour fees on overdrawn bank accounts and over limit and late payment fees on credit cards.
7. The fees in question typically range between \$25 and \$60 on each transaction.
8. The banks reported to the Reserve Bank that they had deducted \$1.2 Billion in exception fees in the financial year 2008. There are no published figures prior to then.
9. Claims against the banks can go back 6 years and will involve repayment of these fees plus interest from the date of the deduction.
10. Financial Redress has set up a completely electronic registration system which can be accessed by the client at a time of their choice and at their own pace.
11. Personal claims are expected to average around \$2,000 while business claims are likely to average around \$5,000.
12. It is likely that some \$5 Billion in exception fees has been deducted by the banks over the last 6 years.
13. In recent months many of the banks have dispensed with these fees or reduced them dramatically. Some have turned this necessity into a virtue by advertising campaigns under the heading "We're abolishing our most annoying business fees".
14. Further information on the proposed class actions can be found at [www.financialredress.com.au](http://www.financialredress.com.au).
15. James Middleweek, Managing Director of Financial Redress, commented – "I have campaigned hard and long against the banks for over a year on the unfair exception fee issue. By joining forces with IMF I believe we can fight on a more level playing field. We can seek redress for many more people through the class action procedures funded by IMF. Long suffering bank customers have everything to gain and nothing to lose by joining these actions".

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16. On 4 May the Minister for Financial Services, Superannuation and Corporate Law said at the IMF Shareholder Conference that “The Australian government sees class actions as an important way of enhancing the community’s access to justice. Class actions allow numerous claims to be considered together – claims which, individually, maybe too small to be worth pursuing.”

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