

A Guide To Switching Bank Accounts

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INTRODUCTION

WHY SWITCH BANK ACCOUNTS?

Since the government's Banking Reforms are now underway, the spotlight is on how much it costs to maintain your bank account.

There are a number of everyday bank accounts advertised as fee free options that carry conditions and additional charges people have to pay.

These fees could include charges for overdrawn accounts, non-bank ATM use, branch-based transactions (also called staff-assisted transactions) and monthly fees if a minimum deposit amount is not met.

In fact, the latest Reserve Bank of Australia Banking Fees report shows banks made a profit of around \$1 billion on household deposit accounts in the last tax year.

This amount is slightly lower than previous years, but it still shows people could be paying a lot more than they think for everyday banking, even when they think it is fee free.

While there's little you can do to stop a particular bank charging fees, you can still choose to switch to a more convenient account.

Fortunately Australia has a wide range of banks and credit unions that help keep transaction account features competitive and make it easier to find an option to suit any lifestyle.

THE IMPORTANCE OF COMPARING ACCOUNTS

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In this way, finding a good bank account can be like making a major purchase: most of the time you will shop around for the best price and deal possible before spending money, and with a bank account the same process means you save more on fees.

Most people open an account when they get their first job and stick with it for years, even if there are fees involved.

If you haven't changed your bank account before, it's probably because (like everyone else) you consider it too much of a hassle to find a better account and then go through the process of switching everything over.

Before now, account holders had to individually switch over things like direct debit details, payroll information and other recurring transactions. This process was not only time-consuming, but also meant going back-and-forth between the banks and other companies.

But the Australian Banking Reforms introduced on July 1, 2012 mean switching banks is now easier than ever and, with this guide in hand, you could find a better option and have everything sorted in virtually no time at all.

STEPS TO SWITCHING ACCOUNTS

Once you've found the account that suits your financial needs, follow these four easy steps to change your debits. It's as easy as 123 (and 4...).

1. Open the new account: Most banks, credit unions and building societies provide applications both in branches and online so it is quick and easy to open your chosen bank account.

2. Review regular credits and debits (optional)

Regular transactions like salary payments, subscription fees or other recurring direct debits will need to be changed over before you can close the old account. Looking over these regular transactions before switching gives you a chance to decide which ones you want to switch to the new account and which ones you want to cancel.

3. Transfer credits and debits: This step can be done in one of two ways:

- You can request a list of recurring credits and debits for the past 13 months from your former bank, review the details and pass it on to your new bank; OR
- You can ask your new bank to deal with the old bank directly on your behalf by filling out the new bank's switching form.

4. Cancel the old account: Once you have switched everything over to your new account you can close the old account without worrying about any complications or penalty fees from forgotten automated payments.

These four simple steps are now all it takes to switch bank accounts, which means you can always get the best everyday banking services quickly and easily.

TIPS TO REDUCE FEES AND CHARGES

It's now a lot easier to change accounts, but don't forget about other fees and charges that could bite down the track.

The biggest risk for switching accounts is that a charge will be made to the old account when there is no money left, leading to an over-limit fee that could be as much as \$35, plus any third-party penalty charges.

While most credits and debits will be switched over by the new bank, they do not normally include the following types of charges:

- BPAY payments
- General, regular payments like those you may pay a regular babysitter or cleaner; and
- Recurring payments that have been set up using a debit card

To avoid penalty charges from these types of payments you will need to switch them over yourself, but if you get stuck your new bank can help you out.

It is also a good idea to keep a small amount of money in your old account for about a month, just to make sure there are no more charges due.

THINGS TO REMEMBER

Before you close everything with your old bank, go through our handy checklist to make sure all your bases are covered.

- Confirm that regular transactions have been transferred to the new account.
- Transfer any BPAY, recurring debit card payments or other regular payments exempt from the switching form.
- Check for any account fees that may be charged when you close the account.
- Take the old debit card out of your wallet and return to the bank or cut it up.
- Transfer money from any accounts linked to the old transaction account, such as online savings accounts.

You may also want to keep a copy of all communication with banks and companies that make regular credits or debits so that you can follow up in the future if you need to.

BANK SWITCHING SITES

In order to make your bank switching experience as easy as possible, here we have listed links to the account switching information for many of the major financial institutions in Australia.

- **ANZ:** [Switching Your Accounts](#)
 - **Bankmecu:** [Switching To Bankmecu](#)
 - **Bankwest:** [Switch To Bankwest](#)
 - **Citibank:** [Switch To Citibank](#)
 - **Commonwealth Bank:** [How To Switch Accounts To Us](#)
 - **CUA:** [How To Change To CUA](#)
 - **HSBC:** [Switch To HSBC](#)
 - **ING Direct:** [Ready To Switch?](#)
 - **NAB:** [Switch Banks](#)
 - **St. George:** [Switch To St. George](#)
 - **Suncorp Bank:** [Switch Your Banking To Suncorp Bank](#)
 - **Westpac:** [How To Switch Your Bank Accounts To Westpac](#)
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Most of these websites also have direct links to versions of the single bank-switching form you will need to fill out, so you can get an idea of just how easy it is.

OTHER LINKS

Want to know a bit more about switching banks or compare different accounts? Below are some useful sites that will help you get a better idea of the changes and how to find the best options for your lifestyle.

[Australian Banking Reforms](#)

The official Australian Banking Reforms website, with information about all the changes for bank accounts, mortgages, credit cards and more.

[Banking Fees In Australia](#)

The Reserve Bank of Australia's June 2012 report on banking fees in Australia can give you an idea of how much banks are charging for services like deposit accounts, credit cards and loans.

[Creditworld](#)

An independent financial comparison group that can help you get a good deal on bank accounts, debit cards, credit cards, loans and more.

[MoneySmart](#)

A government-funded site designed to help you manage all of your finances and learn more about different products and services. It also includes useful calculators and budgeting tools to help you save.

[The Treasury's Competitive and Sustainable Banking System Report](#)

This page has extensive reports, legislation and background information on changes to the Australian banking industry, including further details of the Australian Banking Reforms.