

2016

INNOVATION EXCELLENCE



Innovation Excellence Awards

April 2016



In this report we highlight seven outstanding products from the banking, superannuation, and insurance sectors that demonstrate true innovation in their fields. These products deserve due recognition for the creative way in which they benefit consumers.



A proud history of innovation

Australia is responsible for a number of world-changing inventions, from Google Maps and the pacemaker to the black box flight recorder. We're just as creative with our banking, superannuation and insurance, having invented the plastic bank notes many countries now use and the wi-fi we use for our online banking.

Every year, CANSTAR looks for the products being launched in these fields to make our lives easier and more convenient. This year we hand-picked seven of the most exciting innovations out of the fifty-odd submissions we received.

How do we define a product as innovative?

To be called innovative, a product or service should be a first in the market and even perhaps open up a new market. Then we assess the degree of innovation and the overall impact the product could have on the everyday customer's life.

In terms of degree, we consider whether there are any other similar products available and what makes this product different, whether it is a "first" in Australia, and whether it opens up any new markets. We also assess the potential significance of impacts to the existing market in terms of competition. And, of course, something that's truly innovative can't help but have that "wow" factor.

In terms of overall impact, we consider the number of people who can benefit from the innovation, the ease and expense of application, and the potential to change people's lives. There is more detail about our assessment process in the attached methodology.

COMMONWEALTH BANK OF AUSTRALIA

Credit Card Travel Insurance



What is the product?

Australians love to travel overseas and CommBank has tapped into that enduring trend, teaming up with Allianz Global Assistance to recreate user-friendly travel insurance. Cardholders can now activate the comprehensive international travel insurance included with their credit card simply by logging in to their usual online banking portal, NetBank, and activating the cover. They can also buy additional policy benefits at competitive prices, such as cover for cruises and ski trips or a higher rental vehicle excess.



The policy is available for CommBank customers with a Gold, Platinum and Diamond credit cards, and uniquely, no minimum spend is required on the credit card in order to activate the cover. Cardholders can even activate their policy while they're already away on holiday (3-day waiting period applies).

CommBank has done away with many of the traditional pitfalls of credit card travel insurance. Cardholders do not need to meet conditions such as being aged under 80 years old or having a top-level credit card. Travellers also do not need to pay for their flights and accommodation using their card, so it's no problem if you choose budget airlines or frequent flyer point redemption.

Standout features

- **Free.** The travel insurance policy is included with the credit card and there is no cost to activate it unless you purchase extra additional policy benefits. There is no minimum spend to activate the policy, and cardholders do not need to have pre-paid their travel expenses using the card.
- **Comprehensive.** Cardholders are covered for unlimited medical cover, travel delays and alternative travel arrangements, and lost or damaged luggage and personal goods. The policy will cover the cardholder, a spouse, and up to 10 dependents. Travellers can upgrade or extend the cover as needed.
- **Safety net.** Cardholders can phone from overseas to activate their travel if they forget to activate before they go. If they forget to activate it at all, a safety net of Base Cover for emergency medical and hospital expenses and personal liability cover applies automatically.
- **User-friendly.** Cardholders can activate the policy using their usual online banking portal, NetBank.
- **Certainty.** Cardholders receive a Certificate of Insurance with a unique policy number, so they can be sure they are protected and know whom to call if something happens.

CANSTAR's verdict...

CommBank's credit card travel insurance is fundamentally different to what other providers currently offer for Australian travellers. It is comprehensive yet easy to activate, and at no additional cost, it's a great innovation for the traveller's budget.

www.commbank.com.au



GO INSURANCE

Dental Tourism

What is the product?

Dental Tourism is the first in the Australian travel insurance market – a benefit specifically designed to cover the many Australians who travel overseas to get elective or non-essential dental treatment. This is a huge growth area in countries such as Thailand, Indonesia, and the Philippines, where dental treatment can be significantly cheaper than in Australia. But until now, travellers have not been covered for any expenses if complications arise from their treatment.



Dental Tourism cover provides generous benefits for any unexpected complications, such as \$25,000 for emergency remedial treatment. It also covers \$10,000 for additional travel and accommodation expenses if you can't travel due to complications, and up to \$25,000 to cancel the trip if the procedure is unable to be performed. The policy will even pay for you to go overseas a second time to obtain remedial treatment if the overseas procedure was unsuccessful within a month of returning home. There are some limitations on the procedures which can be covered, so each travel itinerary and treatment plan is assessed on an individual basis by Go Insurance.

The Dental Tourism benefit is available as an additional extra on a comprehensive travel insurance policy from Go Insurance. It fills the void in a normal travel insurance policy and can provide invaluable peace of mind for dental tourists.

Standout features

- **Affordable cost.** Combined premiums for comprehensive travel insurance and Dental Tourism cover start at less than \$200 for your trip.
- **Peace of mind.** Dental tourists are covered if there are any complications from their elective dental treatment performed overseas.
- **Reputable and local.** Go Insurance is backed by Lloyd's, one of the world's largest and most reputable insurance companies, but is still able to offer local care as an Australian-owned company.

CANSTAR's verdict...

This cover is the first of its kind in the Australian travel insurance market to cover a previously taboo topic. It makes sense that as dental tourism grows, insurance providers should be able to cover post-treatment complications that could disrupt a travel itinerary.

www.goinsurance.com.au

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What is the product?

Suncorp's BillSplitter is a new feature that allows customers to divide expenses among a group using the award-winning Suncorp banking app. When a bill comes in, you simply type in the amount and list everyone who owes a portion. An automated text message is sent to each person notifying them of the amount they owe, the due date for payment, and the best payment method. The app also sends IOU reminders and reconciles payments directly into your bank account – an Australian first.



BillSplitter takes the awkwardness out of chasing friends for money. Whether you're paying the bill for lunch, splitting household bills with your flatmate, or organising a group holiday, BillSplitter makes managing group expenses easier. You can split the bill with anyone regardless of their banking institution of choice.

Suncorp's research shows most of us rely solely on our memory to keep track of who has reimbursed us for household expenses (47%) and social or group expenses (74%), so this technology fills a clear need.

Standout features

- **Free.** Suncorp's BillSplitter is available to all Suncorp customers free of charge.
- **Secure.** There is always a risk you might make a mistake when passing along your account details. BillSplitter minimises this risk by sending your account information for you.
- **Easy to use.** The Suncorp banking app has a user-friendly interface, making it clear and easy to use – even for first timers. The Suncorp banking app can be downloaded from the App Store for Apple devices or Google Play for Android devices.
- **Fast.** Customers can save contacts to BillSplitter to make sending notifications quick and simple.
- **Convenient.** BillSplitter automatically identifies when group participants have paid into your account, so there's no need to scroll through your transaction history to see who has and hasn't paid so far.

CANSTAR's verdict...

This is an Australian first in terms of being a fully integrated bill sharing feature in an online banking application. There are other similar apps out there, but these resemble more of a budgeting or list tool to remind users of payments. It's good to see Suncorp using technology to smooth the path for both our budgets and our friendships.

www.suncorpbank.com.au



What is the product?

NAB Equity Builder is the first investment loan in Australia to use the familiar principle and interest (P&I) loan structure. It is a tailored investment loan that is secured by diversified share market investments but without the risk of margin calls. This makes this investment loan easier on both your budget and your peace of mind.

The umbrella credit facility of NAB's lending platform allows investors to operate multiple P&I investment loans at once for managed funds or ETFs. Loan terms of up to 15 years are available, creating a gearing solution that can be customised to match a particular investor's financial planning timeframe.

NAB Equity Builder will appeal to investors who...

- Want to invest without the fear of margin calls.
- Want to own their investment assets outright at the end of the loan term.
- Would prefer to use their managed funds as loan security rather than using home equity to finance their investments.

Standout features

- **Peace of mind.** Investors know there will not be any margin calls made on their investment loan, so they have financial planning stability. They also know they can progressively repay the loan to zero and own their investments outright at the end of the loan term.
- **Consistent cost.** NAB Equity Builder costs the same as the variable rate NAB Margin Loan.
- **Wide investment choices.** Investors can establish multiple P&I investment loans at once, with up to 800 managed funds or ETFs to choose from.
- **Interest only safety net.** The loan offers the ability to suspend principal repayments when gearing levels fall below 30%.

CANSTAR's verdict...

This product is one-of-a-kind in Australia and would potentially meet a need for investors that want to use their share portfolio as security for a loan but want to avoid the risk of a margin call. Having seen people face margin call after margin call during the GFC, we heartily congratulate NAB for facilitating this type of P&I investment loan, secured by managed funds and ETFs.

www.nab.com.au



What is the product?

Bankwest's research in 2015 found that customers wanted help in managing the unexpected in their daily banking, so Bankwest quickly provided the solution in the form of Easy Alerts. Easy Alerts are available for any customer with a personal transaction account, savings account, or credit card, and has the app on their smart device.



Bankwest is the first institution we've seen to offer push notifications sent from your mobile banking app to your mobile or smart device in real time. This is faster and cheaper than receiving an SMS or email, which can be delayed and incur excessive roaming charging for travellers.

Easy Alerts are also unique in that the notifications can be customised to meet the customer's needs or preferences. Bankwest's customer feedback since the launch in October 2015 has been overwhelmingly positive, with customers saying the alerts help them with their budgeting.

Some of the alerts available include notifications when:

- The current account balance has fallen below a certain level or will not cover a scheduled payment.
- The current account balance has reached a certain savings goal.
- A deposit has been made to the customer's transaction or savings account.
- Transaction or credit card payments are made overseas.
- Customers should funds into their transaction account to avoid the monthly account-keeping fee.

Standout features

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|---|--|--|
| <ul style="list-style-type: none">• Multi-purpose. This app allows customers to save on fees, control their finances, meet their savings goals, and ensure their account stays secure.• Convenient. Instead of having to | <p>check your banking app several times a day to see whether you've been paid yet, the push notification lets you know as soon as it happens.</p> <ul style="list-style-type: none">• Crosses the generation divide. While Bankwest expected Easy | <p>Alerts to appeal naturally to those aged 18-34, the smartphone-raised generation, it quickly became popular across all customer age groups.</p> |
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CANSTAR's verdict...

There's no doubt life is becoming increasingly busier, so any technology that makes it easier for us to track and manage our finances is a good thing. We commend Bankwest on being the first to use push notifications to benefit customers with alerts.

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www.bankwest.com.au

COMMONWEALTH BANK OF AUSTRALIA

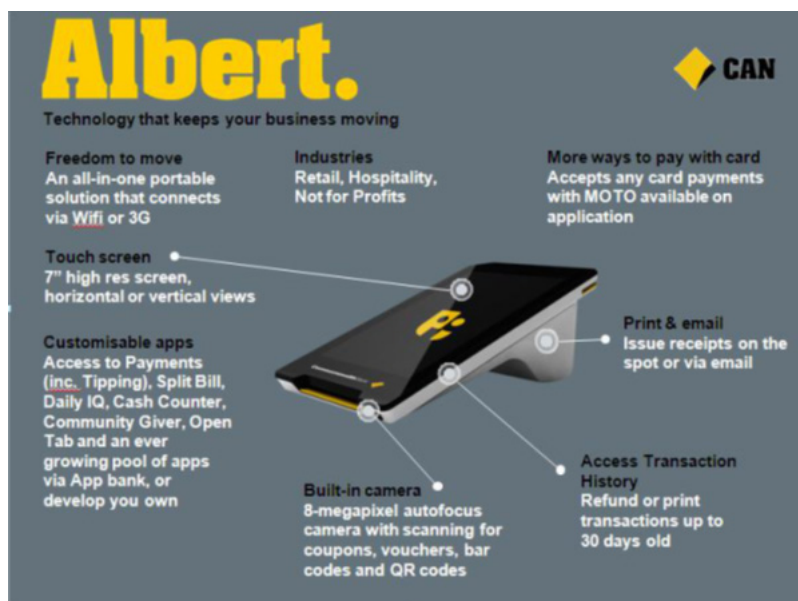
Albert

What is the product?

The name 'Albert' first popped up over 3 years ago, when the Commonwealth Bank announced they were working on a world first payment terminal called Albert to simplify merchant payment systems. They have now released this payment functionality in a tablet form, representing a significant and revolutionary upgrade on their existing payment terminals.

Albert is a 7" Android tablet device that accepts payments, scans vouchers, prints receipts, and has a customisable app store. Albert has a dual core processor and is connected to the internet via 3G or Wi-Fi, so he's a speedy fellow. Over 21,000 Albert terminals are already in the market at the time of writing.

This innovation is trying to revolutionise the POS experience by making it customisable, with a new interface and apps on the Pi open source platform. Pi allows developers to create apps to enhance the POS experience for customers and help businesses gain valuable insights into sales data. Some of the apps currently available on Albert's Pi App Bank include a split bill facility, a loyalty program, daily customer demographic data insights, and a donations facility.



Standout features

- **Accepts all payment types.** Albert's system is accessible for blind or vision impaired customers.
- **Accessible.** Albert's system is accessible for blind or vision impaired customers.
- **Secure.** Albert is fully compliant with strict global security standards.
- **Online.** Albert is connected to the internet via 3G or Wi-Fi.
- **Lightweight.** Albert is a lightweight for an all-in-one device, weighing just 1kg. So carrying him around the stockroom floor all day is no hardship..
- **Camera.** The 8 megapixel camera can scan vouchers or coupons as well as QR codes, and can photograph receipts.

CANSTAR's verdict...

This is world first in terms of POS systems, and it is currently being rolled out across Europe as well as Australia. We look forward to making our first purchase in a store using an Albert.

www.commbank.com.au



Innovation Excellence 2016



What is the product?

Three million Australian adults are living on low incomes and cannot afford insurance for their car or home contents, but insurance would protect them from further financial hardship. People on low incomes have reported they often struggle with insurance policies being too expensive, too confusing, and too high a level of cover for the assets they own.

Suncorp has responded by joining forces with Good Shepherd Microfinance, Australia's largest microfinance organisation, to specifically design a product to suit folk on a low income budget. Customers are referred to AAI by organisations such as Legal Aid, Uniting Care, Carers Australia, and Financial Counselling Australia.

The result, Essentials by AAI, lets customers build a single insurance policy to cover both their contents and motor vehicle. They can choose a higher or lower level of cover for each asset.

Premiums for the policy can cost as little as \$4.00/week, with low or no excess. In an industry first, customers can pay via Centrepay or fortnightly direct debit to help manage their budget. No fee is charged to pay fortnightly, monthly, or annually, and there are no late fees.

Essentials

by AAI

supported by  Good Shepherd Microfinance

Standout features

- **Accessible.** Available for households earning less than \$48,000/year, or holding a healthcare or pension card, or receiving Centrelink payments. Customers are referred to AAI by organisations such as Legal Aid, Uniting Care, Carers Australia, and Financial Counselling Australia. No duty of disclosure is required. Criminal record does not affect insurance policy.
- **Affordable.** Combined policy costs as little as \$4.00/week. Low or no excesses are charged. Customers can pay fortnightly or monthly using Centrepay or direct debit at no extra cost. No late fee charged for missed payment, and missed payments are distributed across policy period rather than charged in a lump sum.
- **Relevant level of coverage.** Customers can insure their car up to \$3,000 or \$5,000, and their home's contents up to \$10,000 or \$20,000.
- **Easy to understand.** Suncorp uses a simplified and animated PDS to help customers understand what level of cover they should purchase (www.essentialsbyaai.com.au) – another first in Australia.

CANSTAR's verdict...

This is the first general insurance product in Australia that is developed in an affordable, modular, and economically sustainable way. The product meets a need by providing comprehensive cover at an appropriate level.

www.essentialsbyaai.com.au

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METHODOLOGY

INNOVATION AWARDS

What are the CANSTAR *Innovation Awards*?

CANSTAR's *Innovation Awards* involve a sophisticated rating methodology, unique to CANSTAR which compares submissions we receive from financial institutions throughout Australia. CANSTAR Award winners represent a selected group of financial related Innovations over the most recent year which have all been reviewed, assessed and ranked.

What types of products are evaluated for the *Innovation Awards*?

CANSTAR evaluates any consumer finance related product that has been released in the market within the most recent year to the commencement of our submission collection.

The following consumer financial products below are an example of what products CANSTAR evaluates:

- Online Banking Products
- Payment Technology
- Wealth Products
- General Insurance
- Investing Services and Products
- Deposit Accounts
- Lending Product
- Business Banking Products and Services

How is the *Innovation Awards* Calculated?

Degree of Innovation (60%)

The degree of innovation measures how unique and disruptive the innovation is within the current market. The 'WOW' factor, is based on the judges impression of the Innovation.

1. How new or different/unique?
2. How disruptive?
3. 'WOW' factor

Impact (40%)

The impact takes into account the breadth and depth an innovation has. The "breadth" of the innovation assesses how many consumers of the target segment are affected. It also evaluates the affordability of the product, and its ease of use. The "Depth" of the innovation measures the impact the innovation will have on improving or affecting a consumer's daily life.

1. Breadth
2. Depth

A scoring system based on a rating from one to five is then placed against each of the above categories in relation to the correlation between the innovation and the categories.

The research committee will then gather together to evaluate each submission and assign a score based on the above.

RATING	DESCRIPTION
0	Not Applicable
1	Very Weak
2	Weak
3	Average
4	Strong
5	Very Strong

METHODOLOGY



Degree of
innovation
60%

Impact
40%

**How different/
Unique?**
45%

- Is there any product with a similar key feature?
- How is this different to current available products?
- Is it first in Australia?
- Does it open a new market?

How disruptive?
30%

- How significant are the impacts to existing market/competitors/technology

'Wow' factor?
25%

- Does it give you the 'wow' factor?
- Why?

Breadth
60%

- How many people of the target segment affected?
- Is it easy to understand?
- Is it affordable?
- Is it accessible by the target segment?

Depth
40%

- How significant does it 'change their lives'?

Examples: (When products are first introduced)

	ATM	iPOD	Toyota Prius
How different/ Unique? 45%	✓✓✓✓✓	✓✓✓	✓✓✓
How disruptive? 30%	✓✓✓✓	✓✓✓✓✓	✓✓
'Wow' factor? 25%	✓✓✓✓	✓✓✓✓✓	✓✓
Breadth 60%	✓✓✓	✓✓✓✓✓	✓✓
Depth 40%	✓✓✓✓	✓✓✓✓	✓✓