



Business Savings and Transaction Accounts

July 2021

What are the Canstar Business Savings and Transaction Account Star Ratings?

Canstar's Business Savings and Transaction Account Star Ratings involve a sophisticated rating methodology, unique to Canstar, which compares business deposit accounts in Australia. This shortlist narrows the search for consumers to products that have been reviewed, assessed and ranked.

The Canstar Business Savings and Transaction Account Star Ratings is a transparent analysis comparing different types of business deposit accounts for an array of characteristics, such as:

- Interest rates
- Accessibility
- Fees
- Rebates
- Free transactions
- Features

The results are reflected in a consumer-friendly five-star concept, with five stars signifying Outstanding Value offered by the product.

Rising stars are those products that would be rated five-star or higher but have not been in the market for more than six months. Rising star products will be formally rated in the next period once more historical data is available.

Eligibility Requirements

To be eligible for a star rating, the product must have been on offer for at least six months. Products that do not have the required six-month information can only achieve a rising star if the product achieves the equivalent of a five-star rating.

Products specific to certain groups or with restrictions on eligibility are not included in the ratings. Personal accounts are rated separately as part of the Canstar Savings and Transaction Account Star Ratings.

Profile Description

The Star Ratings methodology differs for each customer segment in terms of the relative importance placed on the fees and features of the products assessed. The table below provides a description on each profile.

The profiles considered are as follows:

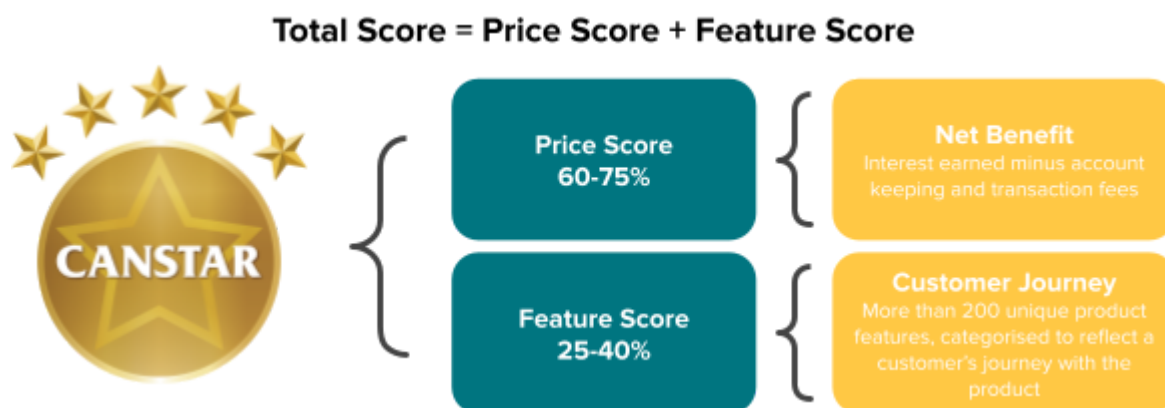
Consumer Profile	Description
Business Saver	For business customers looking for a high interest savings account. To be eligible, the account must offer a base interest rate of 0.05% or higher on a balance of \$50,000.
High Transactor	For business customers who make an average of 100 transactions per month on their account. Access to branch, ATM, EFTPOS, Internet, Direct Credit and Direct Debit facilities must be available.
Low Transactor	For business customers who make an average of 40 transactions per month on their account. Access to branch, ATM, EFTPOS, Internet, Direct Credit and Direct Debit facilities must be available.
Electronic Transactor	For business customers who transact mainly electronically and make an average of 100 transactions per month on their account. Access to ATM, EFTPOS, Internet, Direct Credit and Direct Debit facilities must be available.

Star Ratings Methodology

Canstar recognises that business deposit account users have different needs in terms of saving and transacting. Hence the Canstar Business Savings and Transaction Account Star Ratings methodology has been designed to reflect a range of transacting and savings styles. Specifically, the rating consists of the following profiles:

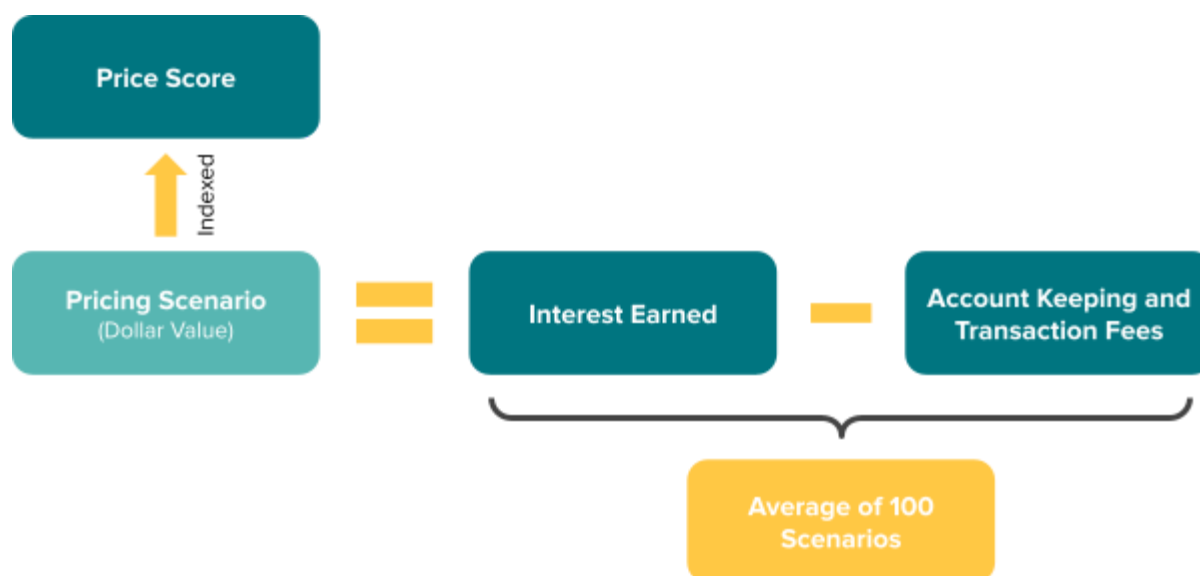
Consumer Profile	Pricing Score	Feature Score
Business Saver	75%	25%
High Transactor	60%	40%
Low Transactor	60%	40%
Electronic Transactor	60%	40%

To arrive at the Total Score, Canstar applies a weight against the Price Score and the Feature Score. The weights reflect the relative importance of costs and features in determining the products offering Outstanding Value. This method can be summarised as follows:



Price Score

The Price Score is calculated using the behaviour of 100 hypothetical consumers, with transaction behaviour determining the transaction fees, account keeping fees and interest earned on each account, with the average net cost or benefit obtained by the consumers across the scenarios indexed along a normal distribution, determining the Price Score.



Interest Earned Scenario:

The following scenarios are used to calculate the interest component of the Net Benefit/Net Cost:

Profile	Term	Description
Electronic Transactor	1 month	Interest earned on the balance in each scenario, considering only the base interest rate.
High Transactor	1 month	Interest earned on the balance in each scenario, considering only the base interest rate.
Low Transactor	1 month	Interest earned on the balance in each scenario, considering only the base interest rate.
Business Saver	18 months	Interest earned on the balance in each scenario, considering the base interest rate and any promotional/introductory rate that may be available to the account for a specified period.

The interest rates used in the scenarios outlined above are the average rates available over the 6-month period preceding the rating. This allows the rating to capture rate fluctuations that occur over time.

Transaction Scenario:

The following scenarios are used to calculate the fees and charges component of the Net Benefit/Net Cost:

	High Transactor	Low Transactor	Electronic Transactor	Business Saver
Average no. of transactions	100	40	100	10
Average Balance	\$10,000	\$10,000	\$10,000	\$50,000
Average Deposit	\$100,000	\$20,000	\$100,000	\$5,000
ATM withdrawal ¹	5%	10%	5%	-
Branch cash deposit / withdrawal ²	10%	10%	-	-
Cheque deposit / withdrawal ³	10%	10%	-	-
Direct debit	15%	10%	5%	-
Direct credit	15%	15%	25%	-
Points of Sale	10%	10%	10%	-
Internet Transaction (Internal / External)	10% / 25%	10% / 25%	15%	100% / -

¹80% of ATM withdrawals in the profile are from own branded ATM's and/or do not incur a withdrawal fee, the remaining withdrawals will have a fee attached (Fee charged by institutions for using another network ATM plus avg. direct ATM charge of \$2.50).
²50% of transactions consider the fee for making a deposit at the branch, the remaining 50% considers the fee for making a withdrawal at the branch.
³50% of transactions through Cheque consider the fee for depositing a cheque, while the remaining 50% considers the fee for withdrawing funds using a cheque.

The fees and charges are deducted from the interest earned for each hypothetical consumer to give a net cost or net benefit. The average net cost or benefit across the 100 hypothetical consumers is then used to determine the Price Score, with the most favourable net cost/benefit being awarded the maximum score.

Feature Score

The Feature score is broken up into five components: Research, Application, Account Operation, Customer Service and Support and Account Closure. The breakdown of weights by profile is shown below.

Research

The start of the customer journey, the research category considers available information provided by the institution, and how this information can be accessed.

Application

The Application stage of the customer journey considers the channels through which a customer can apply for a new account, the conditions that apply on opening the account, and onboarding facilities, such as the provision of a digital card on sign up and how a consumer can start transacting on the account.

Account Operation

This is the life stage of the account that covers its everyday operation, it includes payments and transactions (transaction types and the flexibility of these options), Conditions that need to be met to receive interest, and account management options (online account management tools and account alerts).

Customer Service and Support

This category assesses how customer support and assistance can be obtained by a consumer when it is required.

Account Closure

This category represents the end of the customer journey and considers the ease of closure and management of product after the closing of the account.

Category	Transactor Profiles	Savings Profiles
Research	5%	
Application	25%	
Application Channels	40%	60%
Account Opening Conditions	20%	40%
Onboarding	40%	-
Account Operation	40%	
Account Management	50%	30%
Alerts and Notifications	20%	20%
Budgeting Tools	10%	20%
Card Management	30%	-
Security	20%	20%
Statements and History	20%	40%
Interest Conditions	-	50%
Payment and Transactions	50%	20%
Making Purchases	80%	20%
Transfers	50%	40%
Point of Sale	20%	20%
ATM, Branch and Cheque Facilities	20%	40%
Overdraft	10%	-
Receiving Funds	20%	80%
Incoming Transfers	80%	80%
ATM and Cheque Deposits	20%	20%

Customer Service and Support	20%	
Service Options	70%	70%
Branch Availability	30%	30%
Account Closure	10%	

How is the Canstar Business Savings and Transaction Accounts Awards Calculated?

Canstar Outstanding Value Award

Canstar recognises Business Savings and Transaction accounts that deliver outstanding value to Australian customers. Products that have achieved 5-stars in the Business Savings and Transaction Accounts Star Rating will be awarded an Outstanding Value Award.

How often are products reviewed for Star Ratings and award purposes?

Ratings and awards are recalculated annually based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These Star Ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the Star Ratings as a guide to product excellence. The use of similar Star Ratings logos also builds consumer recognition of quality products across all categories.

Please access the Canstar website at www.canstar.com.au if you would like to view the latest Star Ratings reports of interest.

- Account based pensions
- Agribusiness
- Business banking
- Car insurance
- Credit cards
- Deposit accounts
- Direct life insurance
- First home buyer
- Funeral Insurance
- Health insurance
- Home & contents
- Home loans
- Landlord insurance
- Life insurance
- Managed investments
- Margin lending
- Online banking
- Online share trading
- Personal loans
- Pet insurance
- Superannuation
- Term deposits
- Travel insurance
- Travel money cards



COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

To the extent that the information in this report constitutes general advice, this advice has been prepared by Canstar Research Pty Ltd A.C.N. 114 422 909 Australian Financial Services Licence ("AFSL") and Australian Credit Licence number ("ACL") 437917 ("Canstar"). The information has been prepared without taking into account your individual investment objectives, financial circumstances or needs. Before you decide whether or not to acquire a particular financial product you should assess whether it is appropriate for you in the light of your own personal circumstances, having regard to your own objectives, financial situation and needs. You may wish to obtain financial advice from a suitably qualified adviser before making any decision to acquire a financial product. Canstar provides information about credit products. It is not a credit provider and in giving you information it is not making any suggestion or recommendation to you about a particular credit product. Please refer to Canstar's FSG for more information.

The information in this report must not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without Canstar's prior written consent. All information obtained by Canstar from external sources is believed to be accurate and reliable. Under no circumstances shall Canstar have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of Canstar or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information.

The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

The word "CANSTAR", the gold star in a circle logo (with or without surmounting stars), "Be Canstar Sure", the word "WEALTHBRICKS" and versions of the foregoing are trademarks or registered trademarks of Canstar Pty Ltd A.C.N. 053 646 165. Reference to third party products, services or other information by trade name, trademark or otherwise does not constitute or imply endorsement, sponsorship or recommendation of Canstar by the respective trademark owner.

Copyright 2021 Canstar Research Pty Ltd A.C.N. 114 422 909.