



## 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
- Fees
- Free transactions
- Accessibility
- Rebates
- 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, Cheque, 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, Cheque, 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.

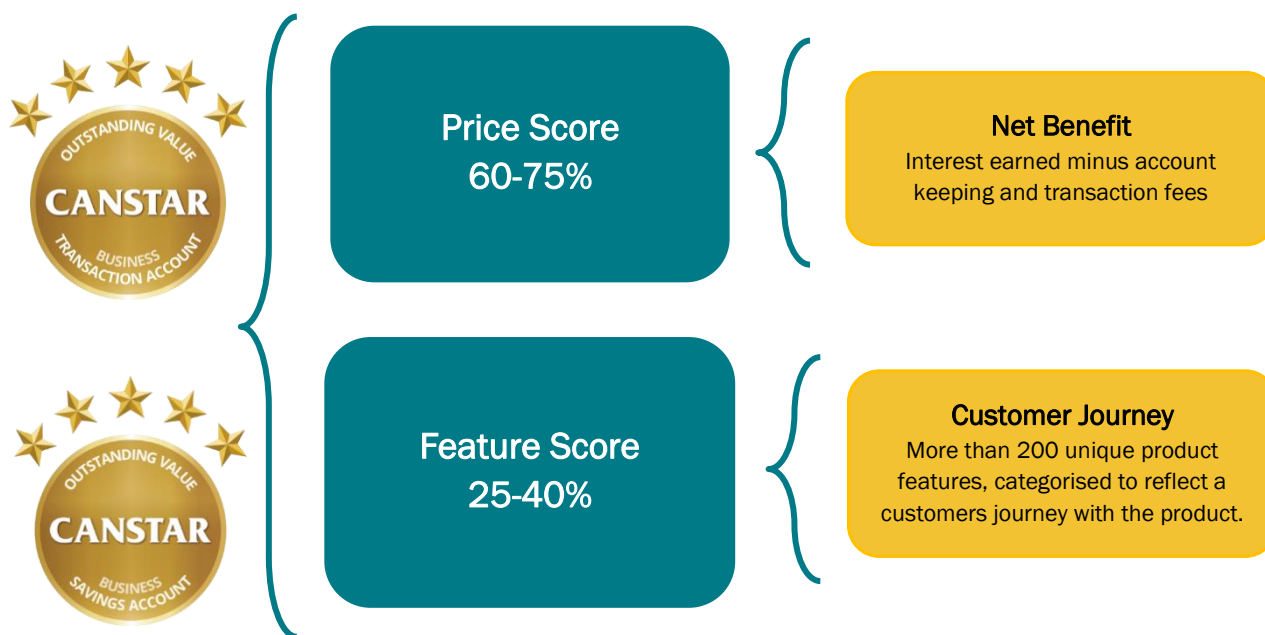
## Star Ratings Methodology

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	Features Score
Business Saver	75%	25%
High Transactor	60%	40%
Low Transactor	60%	40%
Electronic Transactor	60%	40%

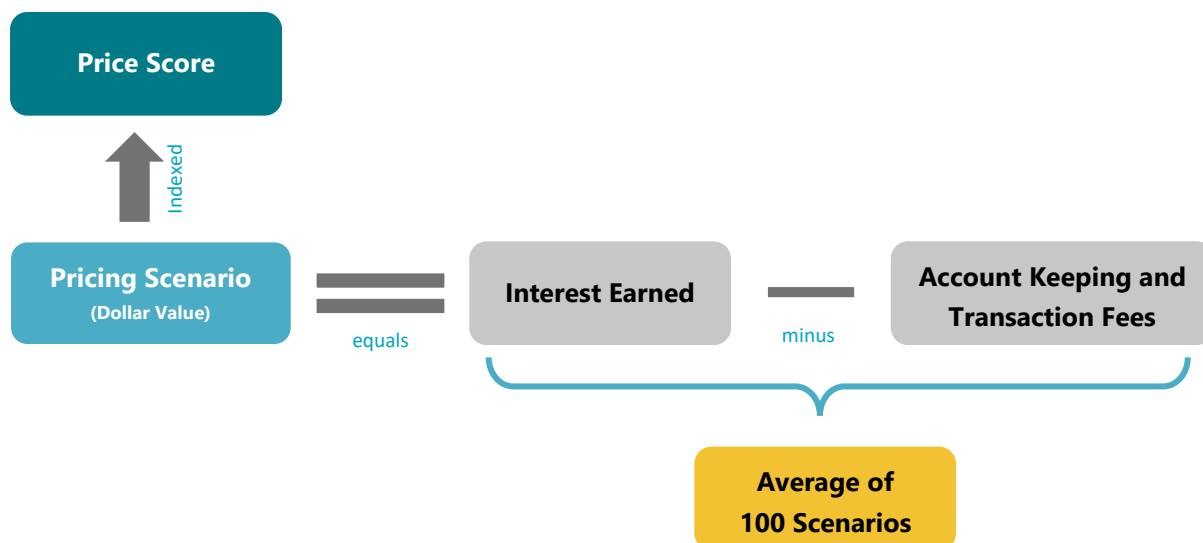
To arrive at the Total Score, Canstar applies a weight against the Price Score and the Feature Score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. This method can be summarised as follows:

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



## Price Score

The Price Score is determined by indexing all products within the rating against the product which is most favourable to the consumer. To ensure a robust assessment of the product, this Price Scenario is simulated with 100 hypothetical account holders, with the average value used to calculate 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
High Transactor	1mth	Interest earned on the balance in each scenario, considering only the base interest rate.
Low Transactor	1mth	Interest earned on the balance in each scenario, considering only the base interest rate.
Electronic Transactor	1mth	Interest earned on the balance in each scenario, considering only the base interest rate.
Business Saver	18mths	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 without fees	4%	8%	5%	-
ATM withdrawal with fees	1%	2%	-	-
Branch cash withdrawal	5%	5%	-	-
Branch cash deposit	5%	5%	-	-
Cheque withdrawal	5%	5%	-	-
Cheque deposit	5%	5%	-	-
Direct debit	15%	10%	5%	-
Direct credit	15%	15%	25%	-
Points of Sale	10%	10%	10%	-
Internet Transaction (Same Institution)	10%	10%	15%	100%
Internet Transaction (Other Institution)	25%	25%	40%	-

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 Pricing 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	40%	40%
Onboarding	20%	-
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%
Domestic Transfers	20%	40%
International Transfers	10%	10%
BPAY	10%	10%
Point of Sale	20%	10%
ATM	10%	10%
Cheques	10%	10%
Overdrawing Facilities	10%	-
Staff Assisted Transactions	10%	10%
Customer Service and Support	20%	
Service Options	60%	60%
Branch Availability	40%	40%
Account Closure	10%	

## 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 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.

## How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every 12 months 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, magazines, television, websites, etc.)

## How are the stars awarded?

Products are ranked based on the total score received for each profile. Stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.

## Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking 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](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



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

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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.

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