



Savings and Transaction Accounts

2021

What are the Canstar Savings and Transaction Account Star Ratings?

Canstar's Savings and Transaction Account Star Ratings use a sophisticated and unique ratings methodology that compares both Price and Features across deposit products. Canstar Star Ratings represent a shortlist of financial products, enabling consumers to narrow their search to products that have been reviewed, assessed and ranked. Canstar Savings and Transaction Account Star Ratings are a transparent analysis comparing all types of deposit products.

Ratings range from five to one-star. Five-star rated products have been assessed as being in the top 10% of products considered within the group of products being assessed.

Eligibility Requirements

To be eligible for a star rating, savings accounts must be on offer prior to the ratings release. Accounts are assessed against nine consumer profiles, each with unique eligibility criteria reflecting a range of transacting and savings styles. Business accounts are rated separately as part of Canstar's Business Savings and Transaction Star Ratings.

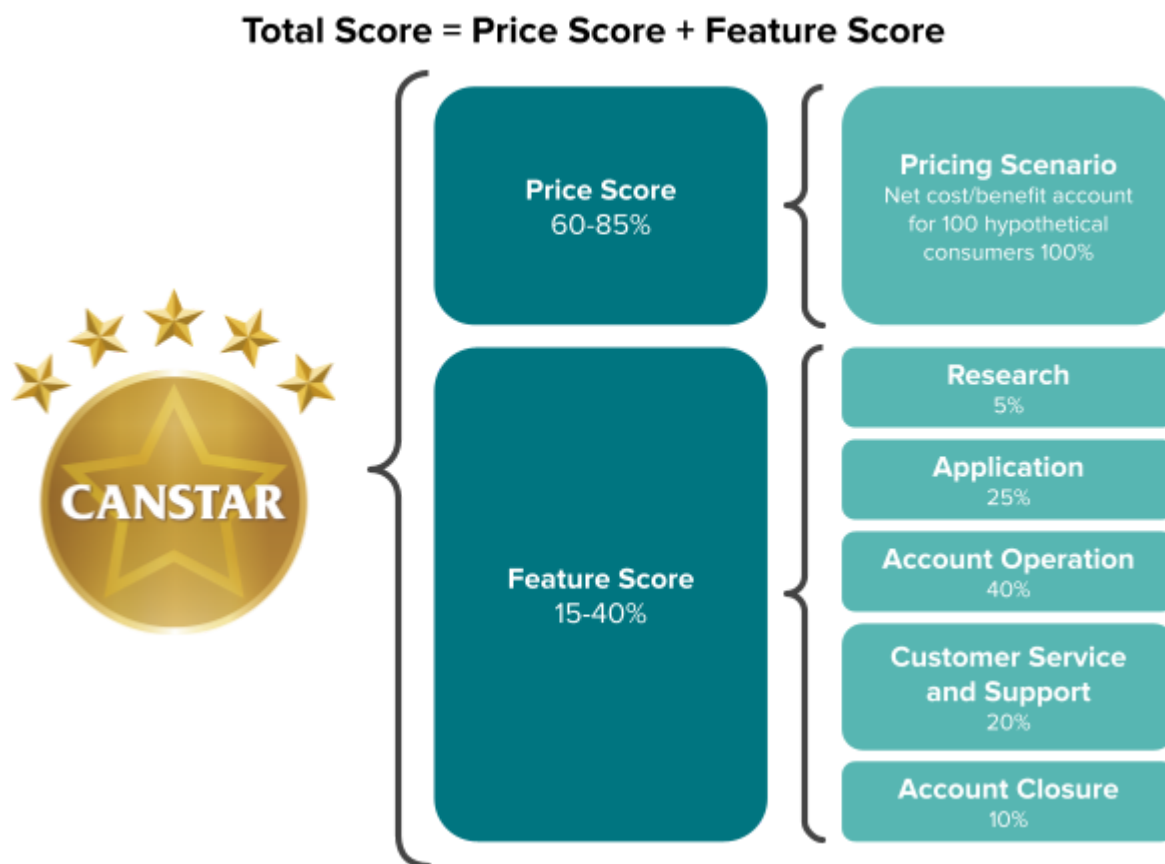
Profiles

Canstar recognises that deposit account users have different needs in terms of saving and transacting. Hence the Canstar Savings and Transaction Account Star Ratings methodology has been designed to reflect a range of transacting and savings styles. 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. Specifically, the ratings consist of the following sub-sections:

Consumer Profile	Description
Flexible Saver	Customers looking to maximize their savings without being constrained by savings stipulations. To be eligible, the account must offer a total interest rate of 0.05% on a balance of \$25,000.
Regular Saver	For more active savers who are willing to meet stricter conditions to achieve higher levels of interest. To be eligible the account must offer a total rate (base plus conditional bonus rate) of 0.25% or higher on a balance of \$10,000.
Senior Saver	For retirees looking to maximize their savings and have the flexibility of an at-call savings account with few restrictions. To be eligible, the account must offer a base rate of 0.1% or higher on a balance of \$50,000.
Junior Saver	These accounts are designed specifically for children (under 12s) to help teach financial literacy and get into the habit of saving regularly.
SMSF Saver	For customers looking to achieve high levels of interest on the cash component within their self-managed super fund. To be eligible the account must offer a total rate (base plus conditional bonus rate) of 0.5% or higher on a balance of \$25,000 and be available for self-managed super funds.
Low Transactor	Requires full access to the account including ATM, EFTPOS, bill payments (i.e., Bpay, direct debit), in-store purchasing (i.e., at POS) and conduct an average of 10 transactions per month.
High Transactor	Requires full access to the account including ATM, EFTPOS, bill payments (i.e., via Bpay, direct debit), in-store purchasing (i.e., at POS) and conduct an average of 60 transactions per month.
Youth Transactor	Accounts available to someone transitioning from a child to a youth between the ages of 13 and 18. They may have just started their first job and are looking to save, access and manage their money.
Senior Transactor	Accounts available to retirees and requires full access to the account including ATM, in-store purchasing (i.e., at POS), branch access, and conduct an average of 10 transactions per month.

Methodology Tree

Each transaction or savings account reviewed for Canstar's Savings and Transaction Account Star Ratings is awarded points for its comparative pricing and for the array of features attached to the account. These features include accessibility, conditions attached to interest payments and transaction security. Points are aggregated to achieve a Price score and a Feature score.



The table below outlines the weights allocated to price and features by profile.

Profile	Price Weight	Feature Weight
Flexible Saver	80%	20%
Regular Saver	80%	20%
Senior Saver	80%	20%
Junior Saver	70%	30%
SMSF Saver	85%	15%
Low Transactor	60%	40%
High Transactor	60%	40%
Youth Transactor	70%	30%
Senior Transactor	70%	30%

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. The methodology is outlined in the below diagram:



Interest Scenario

To recognise the various rates offered on different accounts for varying balance tiers, the interest component is the average interest earned across the 100 different balances. Scenario balances are randomly generated along a normal distribution with a profile appropriate range around the average balance for the profile.

The following scenarios are used to calculate the interest component of the Net Benefit/Net Cost, with balance details and types of interest considered:

Profile	Term (months)	Average Balance	Range of Balances	Base Rate	Conditional Bonus	Promotional Rate
Flexible Saver ¹	18	\$25,000	\$0 to \$30,000	✓	✗	✓
Regular Saver ²	12	\$10,000	\$5,000 to \$15,000	✓	✓	✗
Senior Saver	12	\$50,000*	\$25,000 to \$75,000	✓	✗	✗
Junior Saver ³	24	\$500	\$250 to \$750	✓	✓	✗
SMSF Saver ⁴	12	\$25,000	\$12,500 to \$37,500	✓	✓	✗
Low Transactor	1	\$2,000	\$0 to \$4,000	✓	✗	✗
High Transactor	1	\$2,000	\$0 to \$4,000	✓	✗	✗
Youth Transactor	1	\$125	\$0 to \$250	✓	✗	✗
Senior Transactor	1	\$2,000	\$0 to \$4,000	✓	✗	✗

*The target average balance for Senior Saver is \$50,000 which reflects the deeming rate tiers set by the Minister for Social Services.

¹Conditional Bonus linked to savings behaviour is not included, is included when condition is not dependent on savings stipulations.

²\$50 deposit in month 1 with transactional behaviour conditions not met. Conditions met in month 2 – 11, and a withdrawal is made in month 12.

³\$10 deposit in month 1. Conditions met in month 2 – 11, and a withdrawal is made in month 12. \$10 deposit in month 13. Conditions met in month 14 – 23, and a withdrawal is made in month 24.

⁴\$50 deposit in month 1 with transactional behaviour conditions not met. Conditions met in month 2 – 11, and a withdrawal is made in month 12

Transaction Scenario

The following scenarios are used to calculate the Account Keeping Fees and Transaction Charges component of the Net Benefit/Net Cost:

	Savings Accounts					Transaction Accounts			
	Flexible	Regular	Senior	Junior	SMSF	Low	High	Youth	Senior
Avg. no. of transactions	5	3	5	3	5	10	60	15	10
Avg. Balance	25,000	10,000	50,000	500	25,000	2,000	2,000	125	2,000
Avg. Deposit	1,000	1,000	1,000	100	-	3,000	4,000	100	3,000
Withdrawing cash from an ATM*	-	-	-	-	-	15%	10%	5%	20%
Transfers to other accounts**	100%	100%	100%	100%	100%	20%	20%	20%	30%
Making in-store purchases (in-store, online)***	-	-	-	-	-	40%	45%	75%	25%
Paying bills****	-	-	-	-	-	25%	25%	-	25%
<p>* Split of 50/50 for cash deposit and withdrawals in branch. 80% of ATM withdrawals in this 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.)</p> <p>**40% of transfers are within own institution, 40% are Pay Anyone and 20% are transfers through direct debit.</p> <p>***Split of 80% to Paypass/Paywave and 20% to EFTPOS if Paypass/Paywave is available. Otherwise EFTPOS will make up 100% of the cost. Some financial institutions provide rebates or "cashback" for use of Paypass/Paywave, to calculate the eligible rebate that will be applied to a consumer's account, it is assumed that the average eligible contactless payment is \$20.</p> <p>****Considers the minimum cost of either BPAY or transfers through Debit Card and uses the least of both options.</p>									

Feature Score

The feature score is designed to consider the customer journey, and how the product is used from start to finish. The following table breaks down the main stages of a customer's journey with savings and transaction account:

Categories	Weight
Research	5%
Application	25%
Account Operation	40%
Customer Service and Support	20%
Account Closure	10%

Research

Beginning of customer journey, involves the customer researching the account. The research category considers available information provided by the institution, and ease at which this information can be accessed.

Categories	Weight
Research	5%

Application

The Application stage of the customer journey considers the identification of the customer, the opening procedures and application channels. Also considered within the application category was the conditions that need to be met to open the account and the onboarding procedures once the account is active (e.g. how long it takes to receive the card, access to instant digital cards, etc).

Categories	High / Low / Youth / Senior Transactor	Flexible / Regular / Senior / Junior / SMSF Saver
Account Opening	40%	60%
Account Opening Conditions	20%	40%
Onboarding	40%	-

Account Operation

The Account Operations category considers the usage of the product reviewing an accounts transaction options, interest conditions, and account management. Transactions considers payment options and flexibility in making those payments. Interest conditions reviews the conditions that need to be met to obtain the interest payable, and how the interest is paid. Account management considers an accounts everyday usage, this includes managing debit card pins online, budgeting tools, and transaction history options and access.

Categories	High / Low / Youth / Senior Transactor	Flexible / Regular / Senior / SMSF Saver	Junior Saver
Transactions	50%	20%	20%
Point of Sale	25%	20%	30%
Transfers	25%	40%	40%
Bpay	20%	30%	-
Other Transactions	10%	10%	20%
ATM	10%	-	10%
ATM access	50%	-	50%
ATM Transactions	50%	-	50%
Overdrawing Facilities	10%	-	-
Interest Conditions	-	50%	50%
Account Management	50%	30%	30%
Card Management	25%	-	-
Budgeting Tools	10%	30%	30%
Statements and History	25%	20%	20%
Alerts and Notifications	20%	30%	30%
Security	20%	20%	20%

Customer Service and Support

Customer service and support considers available communication options such as call centres and online chat. Branch availability is also taken into account. This category also takes into consideration tools and resources available to juniors under the age of 12.

Categories	High / Low / Youth / Senior Transactor	Senior / SMSF Saver	Flexible / Regular Saver	Junior Saver
Branch Availability	25%	40%	-	50%
Contact	75%	60%	100%	50%

Account Closure

This category represents the end of the customer journey and considers ease of closure and management of product after the closing of the account, e.g. availability of statements and access to transaction history after closure.

Categories	Weight
Account Closure	10%

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

Ratings and awards are recalculated monthly 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.

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