

23 October 2018

Reforms to mutuals a win for all consumers: RACQ

RACQ has applauded the Federal Government's announcement it would level the playing field for customer-owned and mutual organisations in the financial services sector by allowing them greater freedom to access capital.

The reforms would increase competition and create better outcomes for consumers according to RACQ Bank CEO Michelle Bagnall.

"We want the mutual banking sector to be able to access capital so they can compete with their larger, listed competitors and provide a better customer and member experience for Australians," Ms Bagnall said.

"Until now, mutual banks, building societies and credit unions have had to fund their growth through retained earnings, which severely limits their ability to offer the best financial products at the best rates for their members.

"This has restricted our ability to grow, without penalising our members' value – something we refuse to do. This change will allow mutual organisations to continue to provide the highest levels of service at the best price."

Ms Bagnall said RACQ had no immediate plans to raise capital, but if it did, it would be used for the benefit of its 1.7 million members.

"A key principle in how RACQ prices its products and services is to ensure we can deliver what we promise to high standards, whilst only generating sufficient profit to meet our needs," she said.

"The ability to access capital will allow RACQ to make strategic investments if it chooses to, while continuing to focus on its members. Any additional profits, like all money we make, will be used to sustain our business, build for the future, and most importantly provide value to our members and their communities."

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RACQ is Queensland's largest club and peak independent motoring organisation. We were formed in 1905 to represent the interests of the State's first motorists and today campaign for safer drivers, vehicles and roads on behalf of the 1.7 million members who own the Club. We offer those members a vast range of motoring, insurance, banking, entertainment and travel services and benefits, and each year respond to more than a million calls for roadside assistance.