

# Banks authorised to co-operate on loan relief and services

30 March 2020

The ACCC has provided a second, conditional, interim authorisation for the Australian Banking Association (ABA) and banks to co-operate to provide supplementary relief packages for individuals and businesses affected by COVID-19.

The interim authorisation is conditional on banks providing details of any programs and arrangements to the ACCC before implementation, and seeking ACCC approval in some circumstances.

As required by the condition, the ABA has provided details of a business relief package whereby the banks agree to defer the principal and interest payments for loans by commercial property landlords, as long as they do not terminate the leases or evict the tenants. This will apply to loans of up to \$10 million, with larger loans to be considered by individual banks on a case-by case basis.

“We recognise the public benefit from enabling banks to respond quickly to provide a relief packages to businesses and individuals affected by the pandemic,” ACCC Chair Rod Sims said.

Banks will also be able to coordinate to ensure customers can access services, including, where possible, some counter services, in a range of locations and at various times.

“Individual banks can still offer more favourable and tailored terms to business customers outside of this proposed agreement,” Mr Sims said.

“The conditions provide transparency over what is proposed and if major concerns are identified, the ACCC is able to revoke the interim authorisation, or require amendments.”

The interim authorisation applies to all ABA member banks who agree to participate. Banks will also be allowed to cooperate in support of future government initiatives.

The ACCC will now seek feedback on the ABA’s application for interim authorisation as well as the substantive application. More information, including the ACCC’s statement of reasons, is available at [Australian Banking Association \(financial relief programs\)](#).

On 20 March the ACCC [authorised the ABA and banks to co-operate in devising and delivering a relief package for small business](#).

## Background

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment. The ACCC may review a decision on interim authorisation at any time, including in response to feedback raised following interim authorisation

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