

## Customer-owned banks deliver more community investment and better rates

**Thursday 17 October.** Customer-owned banks are giving back to their communities at a rate nearly nine times higher than the major banks, according to the *Customer Owned Banking 2024 Impact Report* released today.

Credit unions and mutual banks dedicated 5.2% of their profits to community and charitable organisations, totalling \$38.4 million. In contrast, major banks contributed 0.6% of their profits.

“Customer-owned banks are deeply rooted in the communities they serve, and often support grassroots organisations to meet the unique needs of their members and the local area,” Customer Owned Banking Association (COBA) CEO Michael Lawrence said.

“This International Credit Union Day, we are proud to showcase the incredible impact customer-owned banks have on Australia. Not only do members enjoy competitive rates and better services, but they also benefit from knowing their local communities are being strengthened,” he added.

Customer-owned banks are often leading the way in value. The report, which is written by leading economist Nicki Hutley, found that mutual banks and credit unions offered average variable home loan rates 0.4 percentage points lower than those offered by major banks. While individual rates vary between customer-owned banks, this average difference equates to over \$2,000 in interest saved annually on a \$600,000 mortgage.

“Customer-owned banks are owned by their members, which means they are driven by a unique purpose: to prioritise the people and the communities they serve, rather than squeezing profits out of customers to pay dividends to shareholders. That’s why customer-owned banks can deliver outcomes that genuinely benefit their members including competitive rates, market-leading service and significant contributions to their local communities,” Nicki Hutley explained.

However, the report states Australia ‘fares particularly poorly’ when it comes to competition in the banking sector which is dominated by the big four banks, with regulatory arrangements often disadvantaging smaller players.

“Customer-owned banks are essential for a truly competitive and dynamic financial system, providing Australians a distinct alternative to shareholder-owned banks. Government and regulators have important roles to play in taking an appropriate approach, and ensuring consumers have genuine choices when it comes to financial institutions,” Ms Hutley added.

Customer-owned banks also reinvest profits back into better services, which has resulted in market-leading customer satisfaction ratings for the sector compared to the major banks for over two decades.

With over 11,500 full-time employees and many mutual banks and credit unions headquartered outside major cities, the customer-owned banking sector plays a vital role in supporting regional economies. Employee satisfaction is strong, as evidenced by an average staff tenure of 7.5 years – more than double the national average of 3 years and 4 months.

“Customer-owned banks understand that a thriving workforce is essential for delivering exceptional service and strong community engagement. That’s why our sector’s commitment to people extends beyond customer service and into the very heart of the organisation – its employees,” Mr Lawrence said.

With 55 customer-owned banks to choose from, COBA has developed [Find-a-Bank](#); an online tool which helps Aussies find a purpose-led bank that aligns with their needs and values. To find a customer-owned bank that suits your needs and values, head to [findabank.com.au](http://findabank.com.au)

The *Customer Owned Banking 2024 Impact Report* is available [here](#).

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**COBA’s Chief Operating Officer, Stephanie Elliott, is available for interviews.**

For further information or to arrange interviews, please contact Mira Palomaki on 0459 954 035  
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The [Customer Owned Banking Association](#) is the industry body for mutual banks, credit unions and building societies. For almost 180 years our sector has put customers first, returning profits to more than 5 million Australians who put their trust in customer-owned banks.