



Early Repayment Charge compensation payments.

What happened

SBS Bank has identified that between April 2005 and October 2019, as a result of errors in the calculation of some break fees or Early Repayment Charges (ERCs), some Members have been overcharged ERCs for the early repayment of their fixed interest rate loan contract.

What we're doing about this

- We have proactively contacted the Commerce Commission following the discovery of these issues;
- We have amended our ERC calculations to prevent these issues occurring again;
- We are contacting Members that have been overcharged ERCs and refunding them with the amount of the overcharge along with an additional “use of money” adjustment; and
- We will not be seeking any reimbursement from Members that have been under-charged an ERC.

Where we're up to

- We have checked all relevant ERCs for correctness and identified those Members that have been charged an incorrect ERC;
- We are contacting (by telephone/letter) current and former Members overcharged as a result of these issues;
- We are paying compensatory payments direct to current Members' SBS Bank accounts; and
- We are seeking instructions from former Members for paying compensatory payments to an appropriate bank account.

If you have any questions, you can contact us at 0800 727 2265.

We apologise to all Members who were affected by these issues.