

# HOW TO SWITCH BANKS AND MAKE IT COUNT



## SO YOUR BANK IS FUNDING THE DIRTY FOSSIL FUEL INDUSTRY...

**IT'S NOT A PLEASANT FEELING:** learning that your bank—the custodian of *your money*—is lending billions of dollars to projects that damage the environment and drive climate change. Luckily there is plenty you can do to rectify the situation.

This guide takes you through the most important steps in finding and moving to a bank that won't use your money to fund the dirty fossil fuel industry. More importantly it shows you how, as you switch banks, you can send a powerful message to your old bank that will help it think twice about funding fossil fuels again.

We made this guide to help you switch financial institutions on environmental grounds, and encourage the banking sector to be less willing to fund dirty fossil fuels. For any specific information about the financial services of your current or future bank, we recommend you speak to those institutions or a financial advisor.



# HOW TO SWITCH BANK ACCOUNTS

**MOVING FROM ONE BANK TO ANOTHER** is likely to be much more straightforward than you imagine. Banks are competing for your business and many will now handle much of the switching process outlined in this guide. Many banks allow you to open an account online so you won't need to physically visit a branch. This leaves you more time to make sure your old bank knows why you are leaving them.

You can manage the entire transfer process yourself, or you can allow your new bank to complete key steps on your behalf. Either way, you'll want to allow a few weeks to make sure that all your credits and debits are transferred across to your new account before finally closing your old account.

**DISCLAIMER:** The information provided in this document does not constitute financial product advice. The information is of a general nature only and does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. Market Forces recommends that you obtain your own independent professional advice before making any decision in relation to your particular requirements or circumstances.

## 1 CHOOSE A NEW BANK



**THIS IS A VERY IMPORTANT STEP** and deciding where to move your money is entirely up to you. You'll probably want to know about some of the services and terms that alternative banks offer, and it's important that you do your research.

Market Forces doesn't provide financial advice, nor do we single out banks to recommend. But we expect that one of your priorities will be finding a bank that doesn't invest in the fossil fuel industry. We can help with that. You'll find a table on our website containing a range of banks' positions on investing in coal and gas so that you can decide which one you're most comfortable with.

We've summarized the table for you here, and after studying which banks have loaned the most money to coal and gas export projects on Australia's east coast in recent years, come up with four categories:

- ▶ Banks that have no record of lending to coal and gas exports, and have stated their position on these industries
- ▶ Banks that don't appear to have loaned to coal and gas exports but have failed to clarify their position on these industries
- ▶ Banks owned by those lending heavily to coal and gas exports
- ▶ Major lenders to coal and gas exports

Note that this list does not contain every bank and credit union in the country. We are continually seeking to clarify the positions of other institutions and will add them to our list as we obtain them.

For more information on which coal and gas projects these banks have financed and to take action to tell them loans to fossil fuels must stop, visit: [www.marketforces.org.au/banks](http://www.marketforces.org.au/banks)

### BANKS THAT HAVE NO RECORD OF LENDING TO COAL AND GAS EXPORTS (and have stated their position on these industries)

- ▶ Bankmecu
- ▶ Bendigo Bank
- ▶ People's Choice Credit Union
- ▶ Defence Bank
- ▶ Members Equity Bank

### BANKS THAT DON'T APPEAR TO HAVE LOANED TO COAL AND GAS EXPORTS (but have failed to clarify their position on these industries)

- ▶ Heritage Bank
- ▶ Bank of Queensland

### BANKS OWNED BY THOSE LENDING HEAVILY TO COAL AND GAS EXPORTS

- ▶ Bank of Melbourne (owned by Westpac)
- ▶ Bank of SA (owned by Westpac)
- ▶ St George (owned by Westpac)
- ▶ BankWest (owned by Commonwealth Bank)

### MAJOR LENDERS TO COAL AND GAS EXPORTS

- ▶ Suncorp (have invested \$113 million)
- ▶ ING (have invested \$156 million)
- ▶ Citi (have invested \$159 million)
- ▶ HSBC (have invested \$386 million)
- ▶ Westpac (have invested \$1158 million)
- ▶ NAB (have invested \$1450 million)
- ▶ Commonwealth Bank (have invested \$1503 million)
- ▶ ANZ (have invested \$2347 million)

Current as of 12 September 2013. For more detail on the banks' positions and quotes directly from banks, visit: [www.marketforces.org.au/banks/compare.html](http://www.marketforces.org.au/banks/compare.html)

## 2 OPEN A NEW ACCOUNT



**ONCE YOU'VE DECIDED** on your new bank, it's time to go and open an account. You can do this by visiting a bank branch in person or some banks now allow you to open a bank account online. Opening an account online only takes about 10 minutes and your identity and address will be verified through the process. Have on hand your tax file number, driving licence, and 1–2 other ID documents (e.g. passport, Medicare card, Medibank Private card).

## 3 IDENTIFY REGULAR TRANSACTIONS



**THE NEXT STEP** is identifying the regular deposits (like your pay or share dividend payments) and debits (such as a subscription or monthly donation to a cause you follow) that automatically come in and out of your account. Most banks can help you with this process by obtaining from your old bank a list of all your direct debits and direct credits for the previous 13 months. To get this process started you will need to submit to your new bank a form called 'Switch of regular payment arrangements'.

## 4 MOVE REGULAR TRANSACTIONS TO YOUR NEW ACCOUNT

**AFTER YOUR NEW BANK** receives the list of regular direct debits and direct credits associated with your old bank account they will send it to you for your review. You will need to verify that the list is correct and return it to your new bank along with a signed 'Notice of Variation of Account Details' form. This form authorises your new bank to switch your regular direct debits and direct credits to your new account.



### REMEMBER:

This process will only switch across direct debit and direct credit payments that have been established using a BSB and Account number. Although BPAY, Internet 'Pay Anyone' and regular payments to and from debit and credit cards may be included in the list of regular payments sent to you, your new bank cannot switch these payments on your behalf. You will need to switch or re-establish these types of payments yourself. Your new bank will be able to advise you how best to do this.

## 5 THE BEST PART: CLOSE YOUR OLD BANK ACCOUNT



**NOW YOU ARE READY** to close your bank account. Remember to leave a small amount of money in your account which can be withdrawn on the day you close your account. Make sure you allow time for any pending transactions to be finalised (3–5 days is advisable). It's also a good idea to call your old bank to make sure you are completely ready to close your account.

### A FEW EXTRA POINTERS:

- ▶ Keep enough money in your old account to cover any regular payments that might come out before they are transferred to your new account.
- ▶ Some banks recommend you wait until all direct debits and credits appear on your new bank account before shutting down your old account to ensure they have been correctly re-established. Ask your new bank if they recommend this approach.
- ▶ Some banks will send you a letter confirming that they have received notification from the relevant organisations that direct debits and credits have been successfully updated. In this case you will not need to wait until all regular payments appear on your account before shutting down your old bank account. Speak with your new bank to see if they take this approach.
- ▶ The organisations that make credits and debits to your account should contact you for new instructions if these regular payments fail.

## MAKING YOUR BANK SWITCH COUNT

Moving your money to a bank that won't fund fossil fuels is an important, positive step. But if you want to help stop the banks from continuing to fund dirty energy projects, you're only halfway done. It is critical that your choice to switch banks leaves a lasting impression on your bank and makes them realise why their actions are costing them customers. Here are three easy ways you can do that.

### 1. TELL YOUR BANK WHY YOU'RE LEAVING THEM

If your bank doesn't know why you're closing your account and taking your money elsewhere, they can't be expected to know how they need to change. Contact them early on to let them know why you're unhappy about their support of the fossil fuel industry. When they write back, keep up the dialogue – it only helps to emphasise that you care about the issue.

When you leave the bank, contact them again to remind them why. The more that customers speak up, the more the bank will be convinced that it's just not worth lending to fossil fuels anymore.

### 2. TELL YOUR NEW BANK WHY YOU'RE JOINING THEM

It's important to let your new bank and the public know why you have made the switch. This will encourage your new bank to become more vocal about the environmental impacts of fossil fuels and make it an issue that other banks have to take seriously.

### 3. LET YOUR FRIENDS AND FAMILY KNOW WHY YOU'RE SWITCHING BANKS

Losing a customer is one thing, but losing a customer who can influence many more to do the same is far more worrying to the banks. There's a good chance that many of your friends and family are also with one of the 'big four' banks (ANZ, Commonwealth, NAB and Westpac) who are heavily investing in fossil fuels. By sharing your own experience, you might just encourage them to take the same action, magnifying your impact on your bank.

### 4. DOCUMENT AND SHARE YOUR EXPERIENCE OF MOVING BANKS

This is by far the most important way you can add value to your actions. When the public starts having an active conversation about customers walking away from the big banks over fossil fuel funding, the banks will be under serious pressure to change their behaviour. Your experience is an important contribution to that conversation but only if it is documented and shared with the rest of the world.

#### Here's a few ways how:

- ▶ Write a post for a website (yours, ours, someone else's) about why you're moving banks.
- ▶ Document your interaction with your old and new bank.
- ▶ Keep a diary – perhaps a video diary – that you can share once you've moved banks.
- ▶ Record the experience of closing your account and share it with pride.

#### REMEMBER:

We're here to help. We can help you move your money to a bank that won't support the dirty fossil fuel industry, and we're happy to share your story of switching banks so that they, and the public, take notice of the need for change. You can also visit the resources page on the Market Forces website to find template letters and a list of contacts to send your letters to at the big four banks. Email us at [contact@marketforces.org.au](mailto:contact@marketforces.org.au).

[MARKETFORCES.ORG.AU/BANKS](https://marketforces.org.au/banks)



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Market Forces is an affiliate project of Friends of the Earth Australia and member of the BankTrack network of organisations working towards responsible investment in the banking sector.

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