



Courier Mail
Thursday 8/10/2009
Page: 59
Section: Business News
Region: Brisbane Circulation: 214,468
Type: Capital City Daily
Size: 85.77 sq.cms.
Published: MTWTFSS-

Brief: FIRSTFOLIO

Challenger deal 'bad for market'

George Lekakis

MORTGAGE brokers and politicians have attacked the Australian Competition and Consumer Commission after it waved through NAB's \$385 million buyout of the Challenger mortgage operations.

The competition regulator yesterday approved the merger, which will give NAB at least a 40 per cent share of Australia's mortgage broking market.

The Challenger platforms, which trade under the PLAN, Choice and FAST brands, provide administrative services and mortgage products to 5700 Australian home loan brokers.

Several mortgage brokers, who requested anonymity, recently said they were expecting the ACCC to force NAB to divest at least one of the platforms to reduce market share.

The decision to fully approve the deal triggered an outcry from other broker managers and high-profile politicians who recently raised concerns about the impact of merger activity on competition in the local banking industry.

Mark Forsyth, the managing director of Firstfolio – a rival to the Challenger businesses – said the decision would further stymie competition in the local mortgage market.

"It seems that competition has gone out the window – this and other mergers involving the big banks has set competition back 10 years," he said.

"I'm surprised by this decision because I question whether it delivers a good deal for consumers."

Independent South Australian Senator Nick Xenophon said: "This flies in the face of the ACCC expressing concerns about bank mergers. It has been talking loudly and carrying a small stick."