

4 January 2017

Suncorp announces changes to owner-occupier home loan variable interest rates

Suncorp has today announced it will increase its variable interest rates on new and existing owner-occupier home loans by 0.15% p.a. from 23 January, 2017.

The changes apply to Back to Basics and Standard Variable products, bringing the Back to Basics rate to 4.97% p.a. and Standard Variable rate to 5.55% p.a. The vast majority of customers will continue to pay rates well below the headline, due to our products' various features and benefits.

Suncorp's small business rates will also increase by 0.15% p.a. bringing the Business Essentials rate to 5.14% p.a. which remains one of the most competitive in the market.

Suncorp Banking & Wealth CEO David Carter said the decision to increase rates was carefully considered in order to balance the needs of all stakeholders.

"Increasing competition for quality funding sources, the cost of meeting regulatory change and events overseas that have altered the outlook for interest rates globally, have led to rising funding costs," Mr Carter said.

"The majority of bank funding is based on these factors, not the Reserve Bank of Australia cash rate.

"This has been driven in part by changes to regulation to deliver an unquestionably strong banking system, which we support, as it's important for all Australians.

"While we have been absorbing these increasing costs, it's evident that the trend is not likely to change. These factors are also impacting the broader industry, with many of our competitors implementing similar rate changes.

"We will also reverse recent reductions to interest rates on our 55 Plus Accounts, resulting in a 0.15% p.a. increase to our middle and top rate tiers. These accounts are typically used by pensioners and self-funded retirees.

"It remains our priority to offer a range of competitive products and services to our customers and balance the needs of borrowers and savers. This includes delivering greater value by offering benefits to customers who choose to bundle their banking and insurance products."

Suncorp's rates for Commercial and Agribusiness customers remain unchanged.

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