

July 2006 Newsletter

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Who offers the best Internet banking?

(Refer to summary on the last page)

A recent survey conducted by CBA revealed that of the 6.8 million Australians that had internet banking accounts, 85% of them preferred to use internet banking to deal with their day-to-day banking needs. The two main benefits of using internet banking is convenience and time saving according to the people surveyed. Therefore, it is important to consider the strength of a lender's internet banking platform when choosing a home loan considering it's likely that this will be your main mode of contact with the lender.

The best sites are...

We completed our last review of internet banking sites in February 2004. We have updated this review and scored the sites based on two criteria. Firstly we looked at functionality (i.e. the range of features available). The second criteria was "user-friendliness". That is, how easy is the site to use.

CBA and St George Bank both scored 8 out of 10 for functionality and user-friendliness (8 was the highest score achieved by any lender). That said, the top 6 lenders in Australia (ANZ, CBA, NAB, Westpac, St George and Suncorp) all scored very well.

The biggest improver since our last review in 2004 was IMB Ltd (previously called Illawarra Mutual Building Society). It has added a lot more functionality to its internet banking facility.

What's new?

The main improvements since our last review two years ago are:

BPAY View - This is a new facility which allows you to receive your bills through your internet banking account from participating suppliers. You will generally receive an email when the bill arrives and the bill will be retained on the internet banking site for a period of time (around 60 to 90 days). Most of the Telco companies participate in BPAY View as well as some Councils and utility vendors. You can register for BPAY View via your internet banking account and generally it takes two days to set up a new biller.

SMS/Email Alerts - Some lenders offer a service which sends automated SMS or email alerts. For example, you can set the internet banking site to send you an SMS/Email when your account balance falls below a certain limit, if a withdrawal occurs over a certain limit (i.e. all withdrawals over \$1,000), or it can send you account balance information regularly (e.g. weekly). This can be a very handy function that might help you manage your finances better and potentially help you quickly identify fraud. St George and Credit Union Australia are a couple of the lenders that offer this functionality. Normally, email alerts are free.

However, a charge applies for SMS alerts.

Integrated share trading - HSBC has integrated its share trading platform with its internet banking facility. This allows users to easily manage their banking and share holdings in one place. ANZ also has a link to its ETRADE platform.

Secure online shopping - Some lenders offer an additional level of security for online shopping with your Visa or MasterCard. You have to register for 'secure online shopping'. Participating internet sites will ask you for a password and a security question when you enter your credit card details when



making a purchase. CBA and St George are two lenders that offer this facility.

The future?

Usage of internet banking is growing every year. I believe lenders will continue to expand the functionality of internet banking. This will also help them to cross-sell more banking products. Perhaps internet banking will start to incorporate other products that you may have with the bank such as managed funds, share trading, margin lending, etc. We are all looking for more convenience and having all our banking and wealth creation products in one portal might be one way of achieving this.

Yet another thing to consider...

The internet banking facilities that your lender offers may be an important consideration, especially if you are a heavy user of internet banking. The top 6 lenders in Australia tend to have very good internet banking facilities. However, the smaller lenders struggle to keep pace and often have very basic facilities. The larger lenders are obviously better placed to invest more money and resources in continually developing their internet banking sites.

Comparison: Please refer to the last page for a detailed comparison of the internet banking sites. We have reviewed 26 mortgage lenders/banks.

Solicitor or Conveyancer?

The right professional will smooth your home-buying experience. Our guide helps you choose.

You can use either a solicitor or a conveyancer to transfer ownership of your new property.

Solicitors

The legal profession is often criticised for being expensive and impersonal. This certainly doesn't have to be your experience. A carefully chosen lawyer is a vital part of your professional armoury. A good lawyer will prevent problems, not create them and they rarely make unnecessary work for themselves. Solicitors are usually found by word of mouth through friends or colleagues whose judgement you can trust. Then you need to talk to them about their attitude. Don't assume they are unapproachable - you are paying them to provide a service just like your plumber or electrician.

Get a firm price from your solicitors for the total

conveyancing job, including all necessary legal work concerned with the mortgage. Solicitors have a scale of fees based upon the property's price, its type of title, its mortgage and any preliminary documents. Many are happy to discount these prices because they are more organised and are pleased to see your business. Fees are quite reasonable in most states and will probably decrease in the more expensive states as title searches become more centralised and vendor disclosure more complete.

Finally, all solicitors carry indemnity insurance which is tried and tested and will provide compensation if they make any serious mistakes. Complaints against their charges or service can also be made to the relevant Law Society in your state.

Conveyancing companies

These offer a less expensive, usually solicitor-supervised service. They should provide similar indemnity protection against negligence, although you should double-check in all cases. The extent of their service and the expertise of their personnel should also be clarified when you obtain prices from them. In addition, it is advisable to find out how much solicitor support the conveyancers have.

Conveyancing kits

You can save a bit of money by doing the conveyance yourself, following a step-by-step procedure. It is advisable to use a kit prepared by a company which includes a phone support service to handle any difficulties if you get out of your depth. Fees are quite moderate.

Remember, if you do not choose a solicitor or insured conveyancing service, you have no protection against the consequences of making a mistake. So it is important that you can recognise any potentially serious problem.

[Adapted from *House Hunting* by Jerry Tyrell (published by Allen & Unwin, 1997)]

Our advice

We advise clients to deal with a reputable solicitor. They may cost a little more than a conveyancer but we think it's important that you have a highly trained professional dealing with your property purchase.

Do you need a referral? ProSolution Private Clients can refer you to reputable solicitors in Melbourne or Sydney which our clients have used and found to be very professional.

	CBA	Westpac	NAB	ANZ	St George	Suncorp Metway	Bank-West	ING Bank	Adelaide Bank	Citibank	Bendigo Bank	Bank of QLD	Macquarie Bank	AMP Bank	HSBC Bank	Greater BS	Pioneer BS	Heritage BS	Newcastle Perm	IMB Ltd	Defence Force CU	Aust. Defence CU	Credit Union Aust.	Aussie Home Loans	Wizard	RAMS
View account information	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
View transaction histories	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Obtain a tax and interest summary (exc. credit card)	✓		Interest only	Interest only	Interest only		✓		✓		Interest only			✓	✓			✓	✓			✓	✓			
Transfer funds b/w your Banking Accts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transfer funds from your Bank account to an account with another institution	✓	✓	✓	✓ Must register	✓	✓	✓	✓ Must register	✓	✓	✓	✓	✓	✓ Must register	✓	✓	✓ Must register	✓	✓	✓	✓ Fee apply	✓ Fee \$15	✓		✓	✓
Pay bills using BPay®	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓ (5)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
BPay® View	✓	✓	✓	✓	✓	✓					✓					✓	✓	✓	✓	✓	✓		✓			
Create/maintain periodic payments, transfers and bill payments	✓	✓	✓	✓	✓	✓	✓	LOC Only	✓	✓				✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	
Stop personal cheques that have not been presented	✓		✓		✓		✓							✓	✓					✓	Corp only					
Change your personal details (e.g. address, phone numbers)	✓	P/W only	✓	✓	✓	✓	✓		P/W only	✓	✓		P/W only	✓	✓	Not address	✓	✓	✓	✓	P/W only			✓	P/w only	
Re-order cheque and deposit books	✓		✓	✓			✓		✓	✓	✓			✓				✓	✓				✓			
Order statements	✓	✓		✓	✓		✓			✓	✓	✓	✓		✓	✓	✓	✓	✓	✓				✓	✓	
Send secure messages to your Bank	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Order bank cheques				✓	✓				✓	✓				✓												
Download transactions to personal accounting software	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓		✓	✓	✓			✓		✓	
Nickname accounts		✓	✓	✓	✓									✓		✓			✓	✓	✓					
Existing customers can open new accounts online			✓		✓	✓								✓	✓	✓		✓								
Transfer money overseas	✓	✓		✓	✓					✓	✓				✓				✓							
Website functionality	8	7	8	8	8	8	7	6	6	7	8	6	No demo	7	7	No demo	6	7	No demo	8	6	No demo	No demo	4	6	No demo
User friendly	8	8	7	7	8	7	7	6	7	7	7	6	No demo	8	6	No demo	5	8	No demo	6	5	No demo	No demo	5	6	No demo

Due care has been taken when compiling the above information. Errors or omissions may occur if the lenders websites/demos do not provide adequate information. ProSolution is not liable for any loss resulting from reliance on the above information.