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Bank Refunds Fail to Solve Housing Hurdles

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Millions in bank refunds ordered by the Australian Securities and Investments Commission (ASIC) provide temporary relief but no real solution to Australia's housing affordability crisis. ANZ, Westpac, and Bendigo Bank must repay \$60 million to 770,000 low-income customers after charging excessive fees, adding to last year's \$33 million in refunds. While ASIC Commissioner Alan Kirkland notes these amounts represent weeks of pension payments for recipients, industry experts question

whether such one-time payments make any meaningful difference in homeownership aspirations.

Financial advisers remain skeptical about the refunds' long-term impact. Demal George of Smartfinn Advisors acknowledges the cash flow assistance but emphasizes that \$1,200 to \$5,200 falls far short of covering deposit requirements or stamp duty costs. With median home prices continuing to climb, these refunds barely scratch the surface of the financial barriers locking many Australians out of the property market. The repayments arrive amid persistent cost-of-living pressures and interest rate uncertainty, further complicating savings goals.

Critics highlight deeper systemic issues in banking practices that exacerbate financial stress. Victoria Coster from Credit Fix Solutions condemns punitive fees charged to vulnerable customers, citing examples of \$40 monthly penalties for accounts in arrears. While refunds correct past wrongs, they don't address the need for structural reform in how financial institutions treat low-income clients. Coster advocates for improved financial education rather than reactive compensation as a more sustainable solution.

The ASIC intervention exposes a troubling reality: regulatory actions can rectify individual injustices but cannot compensate for Australia's broken housing ladder. Until policymakers address fundamental supply and affordability challenges, these refunds will remain mere band-aids on a gaping wound. For aspiring homeowners, the dream remains distant, proving that while justice in banking is necessary, it's insufficient to unlock the great Australian dream of property ownership.