

BANKS PUSHING CONSUMERS TO BROKERS

Banks have not had a good year in 2019; the Royal Commission brought to the forefront something we already knew – the banks do not act in peoples’ interest; they act unethically and often illegally. Even the bank regulators have been found guilty of colluding with the very institutions they exist to regulate always at the expense of consumers and businesses.

Brokers, unlike banks are very client centric and focussed on the benefit of each and every one of their clients. Without this customer service expertise, the brokers will go out of business very quickly.

Banks would love to act as ‘wholesalers’ rather than retailers and have brokers find out what the clients want and match their needs to the financial institution which best meets their needs. Instead, banks have had to deal directly with the old-fashioned clients who still believe banks want to have a personal and close relationship with them; the way it use to be before deregulation decades ago!

For some reason, these old-fashioned clients still do not understand that banks are not created equal and that they chase different types of clients at various times of the year. Instead, they believe that if they go to their bank wanting a business loan or a mortgage and their bank is not competitive with that product, they will be told to go to another lender down the road; unfortunately, this is never the case!

If we needed even more proof that banks do not want to deal directly with people or businesses, banks closed nearly 300 branches again in 2019 over the year to June according to APRA. This is another 5.3% of all outlets. The year before, banks closed 201 branches or a further 3.6% of all outlets.

Starting a relationship with an experienced and professional brokerage, like Chocolate Money will mean that your Credit Advisor will be able to advise you across most of banks, lenders and non-bank financial institutions and ensure you are able to achieve the outcomes you pursue whilst always ensuring you are not getting into financial hardship. Your Chocolate Advisor will always provide you a full breakdown of the costs and the benefit you will receive with the financial transaction before you have to make a decision to proceed or not.

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