



**THE HON JOSH FRYDENBERG MP**  
Treasurer

## **MEDIA RELEASE**

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### **NEW BANKS TO PROVIDE AUSTRALIANS WITH MORE CHOICE**

The Coalition Government's reforms to increase competition in the banking sector are working, with Volt Bank becoming the first bank to transition from a restricted licence to a full licence today.

The restricted licensing framework was introduced by the Australian Prudential Regulation Authority (APRA) in May 2018 to make it easier for new banks to get started and help foster competition in the sector.

The framework allows licence holders to carry out limited banking services for up to two years while they develop their capabilities and resources.

A fully digital, Australian bank, Volt Bank was the first authorised deposit-taking institution (ADI) to be granted a restricted licence – in May 2018 – and now becomes the first bank to transition from a restricted licence to a full licence.

This follows the arrival of Xinja Bank late last year – the second ADI to be granted a restricted licence.

The Coalition Government has introduced a number of reforms to reduce barriers for innovative new entrants into the banking sector, including permitting all ADIs to use the term 'bank', providing new businesses with access to crowd-sourced equity funding and mandating ASIC to consider competition as part of its decision making process.

Further, our introduction of the Consumer Data Right, with the banking sector being the first to roll out the initiative through open banking, will be a game changer when it comes to how consumers leverage their data to obtain more tailored products and services and have more information to make better choices.

Increasing competition in the banking sector to give consumers more choice, lower prices and better service is part of the Government's plan for a stronger economy.

**Ends**