



MEDIA RELEASE

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NAB's acquisition of 86 400 not opposed

The ACCC will not oppose the proposed acquisition of 86 400 Holdings Ltd (86 400) by National Australia Bank Limited (ASX: NAB). 86 400 launched in 2019 and is a digital only bank, delivering its services through a smartphone application.

“Innovative fintechs play an increasingly critical role in the market, challenging the established banks, leading to more innovative and cheaper banking for consumers. We therefore examined the proposed acquisition particularly closely, including extensive consultation with industry participants, given the important role of that innovation.” ACCC Chair Rod Sims said.

The ACCC's consultation included banks, non-bank lenders, fintechs, mortgage brokers, industry and consumer bodies among others. Most interested parties raised no or limited concerns with the transaction.

“Market feedback suggested that while 86 400 is innovative, particularly in reducing the time and effort in completing home loan applications, there are a number of other businesses with similar offerings or the ability to replicate them. These other competitors continue to bring a similar disruptive influence to the market,” Mr Sims said.

“Supporting our decision is that we have seen several banks and non-bank lenders outside the big four invest heavily in their technology and service offering to improve user experience.”

“Whilst in this instance we found that the removal of 86 400 is unlikely to substantially lessen competition in the market, we will continue to closely scrutinise proposed acquisitions of emerging competitors, particularly by major banks,” Mr Sims said.

“The ACCC's home loan price inquiry reports of [2018](#) and [2020](#) show competition between the big four banks has been muted at best. They tend to accommodate each other rather than competing strongly to win market share. Therefore any acquisition of a rival or potential rival by any of the big four needs to be very closely considered.”

Further information is available at [National Australia Bank Limited - 86 400 Holdings Ltd](#)

Background

NAB is an ASX listed diversified financial services organisation (ASX:NAB). NAB's core retail banking business operates under the NAB brand and includes hundreds of physical branches across Australia, as well as online browser-based banking facilities and smartphone applications.

Post-acquisition, NAB's existing digital bank UBank will be integrated with 86 400. UBank is NAB's online only bank brand. NAB offers a broad range of financial products and services, including transaction and savings accounts, and business and home loans.

86 400 is a digital bank headquartered in Sydney. 86 400 does not operate a physical branch network, or online browser-based banking facilities, with the key customer interface being the 86 400 smartphone application.

86 400 has offered online transaction and savings accounts since September 2019, and launched a home loan product sold through a network of selected brokers in November 2019. 86 400 is majority owned by Cuscal Ltd, one of Australia's largest independent payments providers.

We estimate that 86 400 has less than 0.1% of home loans and household deposits in Australia.

The 'big four' banks refer to National Australia Bank, Commonwealth Bank, Australia and New Zealand Banking Group and Westpac.

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