

# Spending Hacker

## Spend Less and Get More

Digging Up Deals You Actually Need and Use

### The Best transaction account in Australia

Let's talk about loyalty for a second. Are you a loyal person?

Loyalty is a great character trait to have when dealing with your friends and family but can absolutely destroy you as a consumer!

Gone are the days that companies are rewarding customers for loyalty and you will NEVER get the absolute best terms and value for money if you are loyal.

Instead, we suggest you become a '[promiscuous consumer](#)' who is willing to 'jump in bed' with any company who is willing to offer you better terms and better value.

Most companies nowadays put most of their efforts into recruiting new customers and expanding their market share while (foolishly so, if we might say so ourselves!) completely neglecting to put an effort into retaining their existing ones.

Loyalty is dead and buried....time to move on with the times.

Nowhere is this more apparent than in the topic we are going to cover in this guide which is financial services and specifically, *banking*.

Have you noticed how all the bonus offers (higher interest on savings, interest-free balance transfer periods and even cold hard cash) are predominantly being offered to *new customers* and almost never to existing ones?

Many banks simply think that once you have your primary transaction account with them (the one you are getting paid into and pay your bills from), they got themselves a 'customer for life' and don't need to bother 'nurturing' you as you'll stick around no matter what.

Given your transaction account acts as the hub of your spending and the place where your income goes into and is a service that each and every one of us must have and use, we decided that we need to get this one sorted for you first.

Lots of Aussies are reluctant to change their primary transaction account because they think switching is just too hard.

You have to transfer across all your direct debits, notify your employer to have your pay deposited to a new account and update your direct credit details with various organisations, such as share registries for dividends.

Too much hassle right? Well, we tend to agree.  
However, this is no longer the case!

As part of the Australian Government's banking reform, measures were introduced on July 1, 2012 that make the account switching process significantly easier and essentially painless.

You can find the full details about this [here](#) but in a nutshell, banks are now *obligated by law* to provide (for free) any customer who wishes to switch, with a list of all their direct debits and direct credits from the last 13 months. The customer then provides this list to their new bank, signs a single form and the new bank that will now hold your transaction account does the rest. Nothing else to do on your part.

Can it get easier than this?  
Well, actually it can with the [New Payment Platform](#) (NPP).  
With the NPP, sending or receiving money no longer involves BSBs and account numbers and instead is more like using PayPal. Plus, transfers are **instant** (including on weekends and public holidays)!

In addition to that, the government has launched a new initiative called "[Open Banking](#)" which transfers the ownership of financial data from the banks to the individual customers and which will make it much easier for all of us to provide this information to competitors of our existing bank in order to get a better deal.

All the banks operating in Australia will be forced by the government to implement Open Banking technology progressively starting [from mid-2019](#).

So, are you unhappy with your transaction account?  
Do you think you are paying too much in fees to access your own money?

**Well, don't get mad.... get even!**

First of all, if you are currently paying **monthly account keeping fees** on your transaction account then you are really being taken for a ride. There is just no nicer way to say it!

As of January 2015, there were [over 40 transaction accounts](#) that don't have them, regardless of whether you make any deposits during the month or not.

This number has gone up a lot since then!

***There is no reason for anyone to pay monthly account keeping fees in Australia anymore!!***

***When it comes to transaction fees (EFTPOS, direct debits, BPay or cash withdrawals), you shouldn't be paying those either!!***

The transaction account we are about to present you with has no fees on anything and you can use **ANY ATM in Australia** without paying an ATM operator fee, even with those ATMs in airports, pubs and clubs that are notorious for charging exuberant fees!

*When you withdraw cash from the ATM, the ATM operator may still charge you a fee but this bank will refund that fee (however high or low it may be) back into your account.*

Just so you know, you can also get cash out fee-free at the checkout in any Woolies or Coles store (and you don't even need to buy anything).

As far as using your account overseas, this account has got you covered as well.

You can make purchases (either online or in-person) in foreign currencies without paying any currency conversion fee.

You can also withdraw money at overseas ATMs without paying any fees (either ATM withdrawal fees or currency conversion fees) to your bank. You *will* however have to pay any *ATM operator fee* which is charged by the owner of the overseas ATM.

Up until late 2017, there was no way for Aussies to avoid those fees but now there is one, provided you are willing to jump through certain hoops. We'll discuss this later in this report.

## **“Ok, so which transaction account is the best?”**

**It is the Macquarie Bank transaction account.**

## ***“What’s so great about this account?”***

Lots of things. Let’s take a look:

1. No account keeping fees or transaction fees of any kind. There are no minimum deposit requirements, minimum transaction requirements or any strings attached. Simple!
2. Any ATM operator fee charged in Australia is rebated to your account. Again, there are no requirements of any kind in order to qualify for this. Also remember that the ‘big 4’ banks have now [stopped charging ATM operator fees](#) which means everyone can use any ATM belonging to Commonwealth, Westpac, ANZ and NAB free of charge, regardless of who they bank with.
3. 24/7 customer service line based in Australia available 365 days a year.
4. If you keep large balances in your transaction account (you really shouldn’t do that as transaction accounts pay little to no interest), you can squeeze out a minuscule amount of interest as well.
5. Full support for [Android Pay](#) and [Apple Pay](#) which allow you to leave your wallet at home and pay with your phone or smart watch anywhere you can pay using Paypass/Paywave.
6. Discounted electronic gift cards to [over 40 retailers](#) (including the likes of Woolies, Jetstar, The Good Guys and JB HiFi).
7. Macquarie Bank decided they are not going to wait for the government to force them to implement “open banking” and are the first bank in Australia to [already roll it out](#). Better yet, the first 3rd party to connect to Macquarie’s open banking platform is [Pocketbook](#), which we reckon is the best budgeting and personal finance management app in Australia. You can learn more about Pocketbook [here](#).
8. Last but definitely not least, this product offers what is by far **the best online banking experience currently available in Australia** (either through the Internet Banking interface on your computer or through their mobile apps). As a matter of fact, it is truly ‘next level’ stuff and there is nothing offered by any of their competitors that even remotely comes close. As this is one of the main USPs (Unique Selling Propositions) of this product, let’s elaborate on this further.

### Macquarie’s Online Banking Experience

For a very long time, Macquarie Bank (a.k.a “the millionaire’s factory”) were just not that interested in providing banking services for the everyday Aussies. There is simply no other way to put it.

Instead, they focused on investment banking (some of which was quite ‘exotic’ to put it mildly) and providing private banking services to the big end of town and those with deep pockets.

Then, the Global Financial Crisis hit and the millionaire’s factory had a ‘near death experience’ when its shares on the ASX lost 80% of their value.

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While Macquarie Bank survived, mainly because they also had a banking license from APRA (unlike its fellow investment bank [Babcock & Brown](#) who did not have one), the people at the helm did not and a new CEO and board have taken over.

This new management decided it's time for Macquarie to "reduce their exposure" (banking speak for "getting the bloody hell out!") to some of their more 'exotic' activities like securitisation and focus on more traditional banking and investments.

They have also changed the model they use to determine the bonuses paid to their staff and senior executives which resulted in Macquarie Bank emerging [relatively unscathed from the banking royal commission](#) (something that definitely can't be said about any of the big 4 banks).

The royal commission was even interested to see if their model [can be implemented by the big 4 banks](#) and AMP.

Over the last few years, they also decided it's time for them to make better use of their banking license by seriously beefing up their retail banking business.

Initially, the focus was on mortgages but then the big wigs decided it's time they attracted more everyday Aussies to their retail banking business by offering an attractive everyday deposit product. This is mainly because they reckon they can then upsell those customers other stuff (like mortgages or credit cards).

However, as the market for transaction and savings accounts is already very crowded and heavily dominated by the big 4 as well as a bunch of online-only operators who really gave them a run for their money, Macquarie needed an 'angle' to differentiate them from the rest of the pack (both the brick-and-mortar banks and the ones that are online only).

As Australia is moving more and more towards being a [fully cashless society](#), Macquarie have found their angle: **technology**.

Specifically, making their customer-facing digital banking experience the best in the business and perfectly suited for the cashless society we are fast becoming (something that will accelerate even further with the rollout of the NPP we mentioned earlier).

Once Macquarie decided on their 'angle' they didn't muck around and put a large chunk of their significant resources into [building a digital banking experience Australians have never seen before](#) which makes heavy use of natural speech, machine learning and artificial intelligence and is attempting to [mimic the platform Netflix are using](#) for running their streaming service.

Their massive push in this space attracted worldwide attention and has been featured by international media as well as global banking industry publications like [this one](#).

Check out this video one of their technology partners made about their new banking platform (click the image below to watch):



This shiny new tech also [won Macquarie the Innovation Excellence Award](#) in 2017.

We have been involved in the 'Beta' stage of the new platform since late 2016 and won't deny we have been very impressed with what they were building and how quickly user suggestions for new features have been rolled out. There are clearly significant resources (both people and money) being put into this.

However, the value offering didn't stack up and as their transaction account didn't offer the absolute best deal from a fee perspective (for example: they were charging for ATM use overseas and weren't rebating ATM operator fees in Australia), we couldn't recommend them to you until now.

But now that they *do*, we can!

To close off the technology bit, here are a few screenshots from their mobile app which demonstrate some of its unique capabilities which until now have only been available if you linked your bank account to third party personal finance tracking apps like [Pocketbook](#).

**SUGGESTED**

Amount	Time period	Merchant
Q Around \$10		
Q Transactions between \$10 and \$100		
Q Above 20		
Q Incoming over \$500		
Q Spend under 100		

**Search transactions naturally**

Talk to us like a human or your personal banking assistant

**SUGGESTED**

Amount	Time period	Merchant
Q Transactions on 14th January		
Q Between valentines day 2016 to labour day 2016		
Q Last 30 days		
Q This year		
Q After 15 September 2016		

**Search transactions naturally**

Talk to us like a human or your personal banking assistant

**SUGGESTED**

Amount	Time period	Merchant
Q Spending at Woolworths		
Q Food and drink		
Q How much did I spend on restaurants last month		
Q What was my income last year		
Q Gym		

**Your details**

**Settings**

**Import your payees and billers** NEW

**What's new**

**Contact us**

**Terms and conditions**

**Logout**

For the Android App [click here](#) and for the iPhone app, [click here](#). As you can see, they both have pretty good reviews from users.

## “So what about those pesky ATM operator fees for withdrawing my own money overseas? I really don’t wanna pay them!”

Neither do we! Paying a fee to access *our own money* is not cool, no matter where in the world we are! Unfortunately, until very recently, there was no way for Australians to avoid any fees applied by owners of overseas ATMs.

This especially sucks given many people rely on ATMs a lot more when they are overseas, especially in countries where paying by plastic is not as common as it is here.

### **Luckily, now there is a way to avoid operator fees at overseas ATMs (but you’ll need to jump through some hoops first)!**

This product is currently the *only* one in Australia which **REBATES** any ATM operator fees you incur overseas.

However, you will need to do some ‘work’ first before leaving Australia in order to qualify for those rebates.

### **This product is the Orange Everyday transaction account from ING.**

ING (Previously ING Direct) was the original ‘disruptor’ in Australian banking when they introduced the concept of the high interest online saving account all the way back in 2005 when the Dutch giant first entered the Australian market.

They have also been a long time favourite of ours since they introduced their transaction account product (Orange Everyday) and started offering cashback on Paywave purchases (first 5% and later on 2%).

The Orange Everyday transaction account has been our recommended account back in those days when the cashback was on offer.

But then, things started to change (and not for the better unfortunately)!

First, they dropped the cashback on Paywave purchases from 5% to 2%.

Then, they got rid of it altogether when [the Reserve Bank introduced new regulations which limit the interchange fees.](#)

Later on, ING started requiring customers to jump through hoops in order to qualify for fee-free ATM withdrawals and to get a higher interest rate on their [online savings account](#).

In order to get those benefits, customers are now required to:

1. Deposit at least \$1000 every month from a non-ING account; and
2. Make at least 5 purchases with the linked debit card.

That was enough for us to decide to drop ING's Orange Everyday account as our recommended transaction account in early 2017 and start recommending [ME Bank](#) instead (a recommendation we have now amended to Macquarie's Transaction account as discussed above due to the fee-free overseas use and far superior technology).

## ***"Ok, so why do you mention ING in this guide?"***

Well, ING have [made an interesting move](#) in late 2017 which has changed things again and we reckon makes them very interesting to certain people.

Namely, those who travel overseas often and don't mind jumping through the hoops required in order to qualify for the following benefit:

**Rebates on any ATM operator fees incurred overseas.**

**This is interesting because no other bank in Australia currently offers that. Not even one!**

Basically, if you are willing to meet the qualification criteria mentioned above (\$1000 deposit & 5 purchases with the ING debit card) in the month before you go overseas, *any* ATM operator fee you'll cop while out of the country, will be **rebated** by ING back into your account within five business days.

Furthermore, *any purchases made overseas with your ING debit card (either in-person or online) will also be fee-free for that month.* This is basically the same as what you get with Macquarie only that Macquarie Bank doesn't require you to jump through any hoops in order to get this (and this is why the Macquarie product is superior to that of ING's).

So there you have it. Now (finally!) there is a way (and *one* way only for now!) for Aussies to avoid paying any ATM operator fees overseas.

Just remember that this benefit is not provided to you automatically.

You need to meet the qualification criteria in the calendar month prior to your trip in order to 'activate' it so to speak.

## “So Macquarie or ING? What should I get?”

To quote a certain ad for mexican food: “why not *both*?”

Both Macquarie and ING are great options for your primary transaction account.

However, in order to enjoy the full benefits of ING’s product, there are certain hoops you need to jump through and this needs to be done every single month.

***These requirements don’t exist with Macquarie.***

Saying that, there is one thing which ING has while Macquarie does not: [Bank@Post](#).

You **can** use any Australia Post branch to deposit cash and cheques to your *ING* account.  
You **can’t** do the same with *Macquarie* and it doesn’t look like this will change any time soon.

Basically, it seems like Macquarie have made a strategic business decision that they are not interested in handling physical money (be it cheques or note and coins).

While you can deposit Cheques through Macquarie’s offices (either in-person or by mailing it to them), this is probably not an option many people will be keen on for obvious reasons.

For a more comprehensive side-by-side comparison of ING & Macquarie, check out [this analysis](#).

This is why you may want to have an account with both Macquarie and ING and use the ING account when you need to deposit cash or cheques or when going overseas.

Given both of these accounts don’t have any account keeping fees, it will cost you nothing to have both.

Also, it is probably a good idea to have a dedicated account for overseas travel from a security standpoint.

You can use one of these accounts as a backup when going overseas in case one of the cards is blocked or stolen while you’re out of the country.

That’s it for this guide.

We hope you found it useful (if not, please don’t be shy and let us know about it!) and we look forward to bringing you the BEST products and services in Australia for other areas of your everyday life.

Thanks for reading.

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