

Information relating to an interest adjustment to the Cash Management Account

What is the reason that IMB is making the interest adjustment?

IMB recently identified a mistake with an interest rate calculation on our Cash Management Account between 22 June 2023 and 31 July 2023. We're sorry for this mistake and will be making an interest adjustment for those members that have been impacted.

What is the mistake and how was it resolved?

On 22 June 2023, we increased each of the tiered interest rates for Cash Management Accounts with balances of \$10,000 and above by 0.30%. This change was not applied to some accounts which meant the interest earned was less than it should have been.

To rectify, we corrected the applicable interest rates on all impacted accounts effective 1 August 2023. We've also credited the impacted accounts with an interest adjustment to cover the interest error.

What is the date range applicable to potential interest adjustments?

We have reviewed all Cash Management Accounts between 22 June 2023 and 31 July 2023 to identify any impacted accounts.

What Cash Management Accounts have been reviewed?

We have reviewed all Cash Management Accounts between 22 June 2023 and 31 July 2023 to re-calculate the interest earned and identify any impacted accounts.

How has IMB calculated the interest adjustment?

To make things right, we're crediting any impacted Cash Management Accounts with an interest adjustment. This interest adjustment consists of an additional interest amount and compensation.

The additional interest amount has been calculated using the difference between the tiered interest rate that was used for the payments which were made at the end of June 2023 and July 2023, and the correct tiered interest rate that should have been used for those monthly payments. This amount also factors in daily balances on the Cash Management accounts between 22 June 2023 and 31 July 2023.

The compensation consists of calculating a further 10.1% of interest on the additional interest amount. This calculation uses simple interest for 31 days which reflects the lack of access to the additional interest amount (correct interest payment) for the month of August 2023. This further interest rate was determined using the Reserve Bank of Australia's cash rates plus an additional 6%.

Who receives the interest adjustment?

If the Cash Management Account is currently active and open, we will pay the "Credit Interest Adjustment" amount into the open Cash Management Account. If there are multiple members associated with the Cash Management Account, we will only pay one reimbursement amount into the open Cash Management Account.

If the Cash Management Account is no longer open, we will pay the reimbursement amount into any open IMB transaction or savings account that is in the same name(s).

If the Cash Management Account is no longer open and the member or none of the members associated with the Cash Management Account have an open IMB transaction or savings account, we will contact the former member(s) and request that they provide us with updated payment and contact details in a payment nomination form along with updated EFT instruction details (which may be verified by IMB). Importantly, as we are using last-known addresses, we are not sure if these letters will reach our former members. To ensure privacy and security, we have kept details of the “Credit Interest Adjustment” out of these letters. The payment nomination form requests that former members provide us with closed account details for verification purposes so that we can accurately refer to historical member information. Please note that any such details provided to IMB will not be used for any other purpose except to except to make the “Credit Interest Adjustment” payment.

If we don’t receive a response to our request for updated payment details, IMB will instead make payment to either a charity or to ASIC’s unclaimed monies scheme in accordance with those legal requirements.

Who can we contact if we would like further information?

You can contact us on 133 462 where our specialist advisers are ready to help if you have any questions or concerns.