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Chief Reporter

PLANS to roll out a national bank account by October to cater to the **half**  
**of South Africans**  
**without bank accounts** may

have to be put on ice until next year because of a dispute between banks and parties in the National Economic Development and Labour Council (Nedlac).

As part of the financial services sector charter's commitment to transform the banking industry, SA's four banking giants - Nedcor, FirstRand, Standard Bank and Absa - have worked together for the past two years to set up a low-cost national bank account.

The account is aimed at providing a banking product that does not erode the savings of South Africans, as is the case with the current products available to low-income earners.

A recent report, *Competition in South African Banking*, prepared for the national treasury and the Reserve Bank, shows 60%-80% of low-income earners do not have access to bank services.

The charter dispute relates to the Nedlac parties' claim that they have been left out of talks to finalise targets which are already two months overdue. Also, they are smarting from only being offered two seats on a proposed 18-seat charter council that will oversee the charter's implementation.

Because section 4 of the Competition Act prohibits collusion by competitors to fix prices, the banks would need to apply for an exemption from the Competition Commission. This could be granted if the collusion contributed to "the economic stability of any industry designated by the minister, after consulting the minister

responsible for the industry".

The Banking Council would then need to lobby Finance Minister Trevor Manuel, who would give his decision to Trade and Industry Minister Mandisi Mphahlele, who would, in turn, make a recommendation to the commission.

However, the dispute between the banks and the Nedlac parties - mainly the Congress of South African Trade Unions, and the South African Communist Party - means these groups are reluctant to endorse the Banking Council's request for an exemption until the other charter issues are finalised, with the resulting delays to the national bank account.

Charles Chemel, who is heading the national bank account project at the Banking Council, said at the weekend that plans to launch the national bank account within the next two months might not happen.

"We may have run out of time this year and we will have to make a decision in the next few days."

The banking competition report showed that the "cost of an entry-level banking service together with the negative return on low-value savings accounts discourage the use of banking services and undermines wealth creation".