Bankcard was a monthly statement credit card 1974

In 1974, **Bankcard** was launched as Australia's first mass-market credit card, providing a revolving line of credit that allowed users to carry a balance month-to-month.

- **Launch Details**:
    - It was introduced in **October 1974** by Prime Minister Gough Whitlam.
    - The scheme was a joint venture between Australia's major financial institutions, including the "Big Four" banks.
    - At its inception, banks mailed approximately **1.4 million pre-approved cards** to customers, often without their request.
- **Key Features**:
    - **Interest-Free Period**: It offered an interest-free period of up to **55 days** if the balance was paid in full each month.
    - **Revolving Credit**: Unlike the "charge cards" of the era (like Diners Club or American Express), which required full monthly repayment, Bankcard allowed for **deferred payments** with interest charged on outstanding balances.
    - **Initial Limits**: Most cards initially had a low credit limit, typically **$300**.
    - **Geographic Restriction**: The card could only be used in **Australia and New Zealand**.
- **Market Impact**:
    - Bankcard dominated the Australian market for over a decade, peaking at more than **5 million cardholders** by 1984.
    - It was eventually phased out in **2006** due to the rise of international schemes like Visa and Mastercard.

Controversy

The 1974 launch of **Bankcard** remains one of the most controversial events in Australian banking history, primarily due to the decision by banks to mail out approximately **1.4 million unsolicited, pre-approved credit cards** to customers.

- **Security Outcry**:
    - Cards were sent via standard post with a $300 credit limit already activated.
    - This sparked a massive public outcry over the risk of **letterbox theft**, as anyone who intercepted a card could sign and use it immediately.
    - Critics noted that the "naive" security of the era—which lacked CVV numbers or real-time balance checks—made fraud exceptionally easy for thieves.
- **Merchant Resistance**:
    - Major department stores and the **Victorian Automobile Chamber of Commerce (VACC)** initially boycotted the scheme.

    - Retailers were angered by the **1.5% to 5.5% service charge** levied on transactions, which they argued would force them to raise prices (e.g., increasing petrol by over two cents a gallon).
    - Unions also joined the opposition, with some calling for investigations into the scheme's impact on consumers.
- **Political and Ethical Concerns**:
    - The **South Australian Attorney-General** publicly criticised the banks, stating they should have at least sent a letter asking permission before mailing the cards.
    - There was significant social concern that the cards would "push" debt onto people who weren't prepared for it, fundamentally shifting Australia from a "savings society" to a "debt society".
- **Legal Legacy**:
    - The backlash against these "unsolicited goods" eventually led to stricter regulations.
    - Today, the Australian Securities and Investments Commission (ASIC) strictly prohibits sending unsolicited credit or debit cards under the **ASIC Act**, with very narrow exceptions for replacements or renewals.

Automatic monthly credit card statements as an ongoing ledger, pretty much a first in Australia

Who were the nine banks underwriting these funds, and how did they use the early computers for their mass-produced statements.

The 1974 launch of **Bankcard** was a massive collaborative effort involving nine major Australian banks. These institutions formed the **Bankcard Association of Australia** and a dedicated processing company, Charge Card Services Limited (CCSL), to manage the infrastructure and data.

The Nine Founding Banks

The original group of banks that underwrote the scheme and issued the first 1.4 million cards included:

1. **Commonwealth Trading Bank of Australia** (now Commonwealth Bank)
2. **Australia and New Zealand Banking Group** (ANZ)
3. **Bank of New South Wales** (now Westpac)
4. **National Bank of Australasia** (now NAB)
5. **Commercial Bank of Australia** (merged with Westpac)
6. **Commercial Banking Company of Sydney** (merged with NAB)
7. **The State Bank of Victoria** (later acquired by CBA)
8. **The Rural Bank of New South Wales** (became State Bank of NSW)
9. **The Savings Bank of South Australia** (now part of BankSA/Westpac)

Early Computer Processing & Statements

Because there was no real-time internet, the "automated" statements were produced through a heavy industrial process at the CCSL headquarters:

- **Batch Processing**: Every night, physical "vouchers" (the paper slips signed by customers at shops) were couriered from bank branches to central processing hubs.
- **Mainframe Power**: Large IBM or General Electric mainframes—which were still relatively new in Australian banking—were used to consolidate this mountain of paper data into digital ledgers.
- **OCR and Data Entry**: Operators used early Optical Character Recognition (OCR) machines or manual keypunching to convert the account numbers and amounts from the paper vouchers into digital records on magnetic tape.
- **High-Speed Printing**: Once the data was processed, the "mass-produced" statements were generated using industrial-scale line printers. These machines printed the "ongoing ledger" format that showed transactions chronologically, calculated the 1.5% monthly interest, and determined the minimum payment.

This system was a precursor to modern electronic banking, proving that Australian banks could cooperate on a **national shared facility** using the computing technology of the time.

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