

457 Visa Holders short-changed on access to credit

70%* of 457 Visa holders intend to become permanent Australians residents, yet many are still shunned by the banks when applying for a credit card, according to finance comparison service www.creditcard.com.au

Following contact with major Australian financial institutions to establish whether or not they provide credit cards to holders of the 457 Skilled Migrant Visa, comparison website creditcard.com.au has found that [the banks are mostly hesitant to offer credit cards to those here on the 4 year visa](#), despite the high income threshold and the fact that many who are here on 457 Visas are working to train Australians in the necessary skills to perform in-demand jobs.

“Apart from Virgin Money and American Express, we found that a lot of Australia’s major banks were reluctant to even answer our request and confirm whether they did or did not offer credit cards to skilled migrants. Of those that did answer, a large portion said a firm ‘no’,” said Kalianna Dean, Managing Editor of Credit World Pty Ltd, which operates creditcard.com.au. “We’ve already been told by ANZ, Bank of Queensland, Citibank, CUA, HSBC and Suncorp that they do not offer credit cards to 457 Visa holders. This was in response to requests dating back to February of this year in some cases.”

Banks missing out by giving the cold shoulder

The common line from the banks is that there is too great a risk of a 457 Visa holder leaving the country with existing credit card or loan debt, but increasing numbers of 457 migrants continue to arrive in Australia, even as parliament is currently debating whether to introduce further restrictions on the 457 Visa.

One of the major restrictions already in place is a minimum salary requirement, to avoid businesses undercutting or underpaying Australian workers if foreign workers were willing to work for less. The figures below, released by the [Department of Immigration and Citizenship](#), show that close to 70% of 457 Visa holders are highly paid managers or professionals, with a base salary of \$85,400.

| Measure | 2009-2010 | 2010-2011 | 2011-2012 |
|--|-----------------|-----------------|-----------------|
| Visa grants to primary applicants | 34 790 | 48 080 | 68 310 |
| Total visa grants | 67 980 | 90 120 | 125 070 |
| Sponsors with a grant to a primary applicant | 9 070 | 11 290 | 16 520 |
| Average nominated base salary | \$86 400 | \$86 800 | \$85 400 |

It’s pretty hard to understand the reluctance on behalf of the banks when these applicants have a demonstrated income and ability to pay off a credit card,” adds Ms Dean.

“These applicants have good salaries, many are supporting families in Australia, and in some cases living with an Australian citizen. They should be given the opportunity to apply for an Australian credit card,” argues Ms Dean. “Granted, there should be some protection in place in the event of default, but surely you would think a global bank such as HSBC or Citibank could organise a way to at least allow applicants who had accounts with them back

home to access an Australian credit card with a decent rate of interest. Instead, many are here in Australia but stuck with a Visa debit card option or a foreign credit card that they pay exorbitant international charges to use.”

As a credit card can be a crucial element in building up a decent credit history in Australia, and prepaid or debit cards will not count towards increasing an applicant’s credit score, the most effective option for those who do want to settle in Australia is mostly cut off.

***70% of respondents to the 2013 survey conducted by the Migration Council of Australia indicated that they intend to become permanent residents. In addition 2012 saw 68,310 workers arrive in Australia with 56,760 dependents to support**

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Notes for editors

Creditcard.com.au is Australia’s most intelligent credit card comparison finance service and blog. For further information or to discuss quotes or angles, contact the office on 02 9518 8177 during business hours.

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