

2019 Banking Code of Practice Quick Reference Guide



The new Banking Code of Practice (the Code), launched 1 July 2019, sets out the standards of practice and service in the Australian banking industry.

The Code forms part of the bank's contract with its customer.

From 1 July 2019, 19 banks subscribe to the Code.

Who does the Code protect?



An individual customer or prospective customers



A small business customer, or prospective small business customers (see Chapter 1 for the small business definition)



A guarantor or prospective guarantor securing a loan to an individual or small business customer

The Guiding Principles that underpin the Code are:



Trust & Confidence



Integrity



Service



Transparency & Accountability

Banking Code Compliance Committee (BCCC)

The BCCC is the independent body that monitors the Code. If you are concerned that a bank has breached the Code let us know. You can report suspected breach of the Code to the BCCC via its website: www.bankingcode.org.au or email info@codecompliance.org.au

Keep an eye out for these key protections

<p>Treatment of customers Banks must be fair, reasonable and ethical in all their dealings.</p>	Chapter 4	<p>Direct debits If the customer asks the bank to cancel a direct debt, it must promptly do so.</p>	Chapter 34
<p>Terms and Conditions Banks must give a new customer information about T&Cs, fees, charges and any applicable interest rates before or when a contract is made.</p>	Chapter 11	<p>Inclusive and accessible Banking must be inclusive and accessible for all people, including older customers, people with a disability, and Indigenous Australians, including in remote locations.</p>	Chapter 13
<p>Request for documents Customers have a right to copies of certain documents and the bank must provide these within 30 days.</p>	Chapter 37	<p>Indigenous customers If the bank is aware a customer is Indigenous, they must be told about available accounts, including eligibility for a no, or low standard fee account. They will also help the customer to meet any identification requirements.</p>	Chapter 13
<p>Lending There are clear responsible lending requirements for individual and small business customers and how the bank will help small business when it applies for a loan.</p>	Chapters 17 and 20	<p>Vulnerability If a customer is experiencing vulnerability, banks have an obligation to provide extra care.</p>	Chapter 14
<p>Guarantees There are strict obligations on banks before and when they accept a guarantee, during and at the end of a guarantee, including enforcement.</p>	Chapters 25-29	<p>Financial Difficulty Banks have an obligation to help a customer overcome their financial difficulties.</p>	Chapter 39
<p>Lending to joint borrowers If a prospective co-borrower does not stand to substantially benefit under a loan, the bank must satisfy itself that the co-borrower is not experiencing financial abuse.</p>	Chapter 17	<p>Accessing Superannuation Banks must not require a customer to access their superannuation to pay money owed under a loan.</p>	Chapter 41
<p>Joint account authority A joint account holder can ask the bank to change the account authority to require all account holders to consent for any future withdrawals and the bank must comply.</p>	Chapter 35	<p>Small business default Small businesses must receive 30 days' notice before being asked to repay the full debt or the bank takes enforcement action.</p>	Exceptions apply, see Chapter 21
<p>Consumer Credit Insurance A new deferred Consumer Credit Insurance (CCI) sales model has been implemented for credit cards and personal loans.</p>	Chapter 18	<p>Small business non-monetary default Non-monetary defaults by small business may not be enforced unless an exception applies.</p>	Chapter 22
<p>Credit card limits Banks must not offer an increase to a customer's existing credit card limit, unless requested.</p>	Chapter 33	<p>Sale of debt The bank has obligations when it sells a customer's debt to a third party.</p>	Chapter 43
<p>Credit and debit card chargebacks If a credit or debit card transaction is disputed by the customer, the banks must claim a chargeback under the credit or debit card scheme rules.</p>	Chapter 33	<p>Complaints If things go wrong, a customer can lodge a complaint with the bank, its internal Customer Advocate or externally with the Australian Financial Complaints Authority (AFCA), a free and independent dispute resolution scheme.</p>	Chapter 47

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