



Code Compliance Monitoring Committee

**Inquiry into bank compliance with Clause 29
of the Code of Banking Practice**

February 2008

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Introduction

In September 2007 the Code Compliance Monitoring Committee (“the Committee”) established an Inquiry into bank compliance with Clause 29 of the Code of Banking Practice (“the Code”), which states:

“**We** and **our** collection agents will comply with the Australian Competition and Consumer Commission’s guideline “Debt Collection and the Trade Practices Act” dated June 1999 when collecting amounts due to **us**, and **we** will ensure that **our** representatives do likewise”.

Executive Summary

Complaints to the Committee about Clause 29 and customers with representatives more generally, comprise 14% of all written complaints. The most common complaint alleged non compliance with the general principle in the 1999 guideline that a debtor is entitled to have another party represent them in dealings with the bank. Against this background, the Committee sought submissions from relevant stakeholders as the first step of its Inquiry into Clause 29 of the Code. This was followed by a desk audit of subscribing banks.

The responses provided by all banks to the desk audit suggested a strong commitment to compliance with Clause 29. However upon closer examination of four banks through compliance visits, the following issues were identified:

- All banks state that they have programs in place to regularly monitor compliance with Clause 29 of the Code and the debt collection guidelines, however the subsequent compliance visits revealed that in some cases, the banks’ own compliance monitoring was failing to identify non compliance with Clause 29.
- All banks report that they have training programs for staff on the Code and the debt collection guidelines, however on closer investigation the Committee found that training programs could be improved with regard to Clauses 29 and 7 (staff training and competency) of the Code.
- All banks advise that they have procedures in place to ensure that customers were not contacted directly by a bank after a representative had been appointed, however the compliance visits revealed that not all banks are clear on their obligations in this regard and some continue to contact the customer directly, in breach of their obligations under the Code.

- Although the service levels for response times to correspondence ranged from 48 hours to 14 days, a number of submissions to the Inquiry referred to excessive delays in receiving bank responses. The Committee's view is that ongoing monitoring of response times is required.

Generally, the bank responses to the Inquiry indicate there has been progress in bank communication with represented customers and with their representatives. For example:

- It is no longer the case that a customer must provide an authority authorising the bank to deal with their representative on a form prescribed by the bank or on the bank's own letterhead. All banks are prepared to accept a letter or form from a customer representative, as long as it properly authorises the representative to act for the customer and contains the minimum required information (although this differs between banks and has the potential to cause confusion and delays).
- There have been recent moves by more than one bank to improve customer representatives' access to bank staff, particularly to the specialist hardship areas situated within banks.
- A number of banks have developed, or are developing, relationships with financial counselling agencies that involve training programs, involvement in pilot schemes and information for customers on contacting counselling services. The Committee believes that these working relationships help banks and counsellors understand each other's complementary roles in assisting customers in financial difficulty.

The Committee was pleased, through the Inquiry process, to identify a number of examples of best practice which go beyond the requirements of Clause 29 of the Code. For example, all banks advise that they have adopted the 2005 debt collection guideline, when the Code makes specific reference to compliance with the 1999 version.

The Debt Collection Guidelines

The Australian Competition and Consumer Commission (“ACCC”) published the guideline “Debt collection and the Trade Practices Act” in June 1999 (“the 1999 guideline”) for the purpose of giving practical advice for business on establishing mechanisms and systems to promote compliance with the Trade Practices Act 1974.

The requirement to comply with the 1999 guideline was incorporated into the Code of Banking Practice when it was reviewed in 2000 and as a consequence became part of the contract between bank and customer.

In 2005 the ACCC and the Australian Securities and Investments Commission (“ASIC”) jointly released the guideline “ACCC–ASIC Debt collection guideline: for collectors and creditors” (“the 2005 guideline”). The 2005 guideline states that it replaces the 1999 guideline, partly because since 1999 ASIC has become responsible for consumer protection in financial services.

This Inquiry focussed on the requirements under the Code to comply with the 1999 guideline. However the Committee noted that, as previously mentioned, all banks reviewed advised that they had adopted the 2005 debt collection guideline.

The principles of conduct set out in the 2005 guideline meet or exceed the principles of the 1999 guideline. For the purposes of this Inquiry, the Committee’s view is that where a bank can demonstrate that it complies with the 2005 guideline, the bank also meets the requirements of the 1999 guideline.

Communicating with a debtor's representative

The relevant section of the 1999 guideline states:

“Communicating with a debtor's representative:

Principle

A debtor is entitled to have another party represent them and/or advocate on their behalf when communicating with the collector. In turn, representatives must act reasonably, and the collector should be entitled to contact the debtor directly in appropriate circumstances.

Example...

- *A collector should not communicate directly with a debtor once the collector knows, or should know, that another person (e.g. solicitor, financial counsellor) represents the debtor in the matter, unless:*
 - *The debtor's representative does not respond to communication from the collector within a reasonable time (normally 14 working days);*
 - *The debtor's representative advises that he or she does not have instructions from the debtor in respect of this matter;*
 - *The representative does not consent to act;*
 - *Where the representative is not a solicitor, the collector advises that written authority for the collector to communicate through the debtor's representative is required, and the debtor does not provide that authority; or*
 - *The debtor specifically requests communication from the collector”.*

Background to the Inquiry

The Committee decided to undertake the Inquiry, and to focus on how banks handle communications with third party representatives such as financial counsellors, in response to complaints and feedback to the Committee over several years.

This report uses the terminology of the 1999 guideline in referring to financial counsellors as representatives. References to financial counsellors in this report include, where applicable, consumer advocates.

Complaints to the Committee

Between January 2004 and December 2007, 14% of all written complaints to the Committee involved alleged breaches of Clause 29 or difficulties encountered by representatives when contacting banks on their clients' behalf.

The most common of these complaints were:

1. Banks continuing to contact customers directly after the Authorised Third Party form ("ATP form") had been provided to the bank; and
2. Banks refusing to accept a particular form of written authority.

The Committee had also received a number of complaints where representatives were told to take measures in addition, or as an alternative to, providing an ATP form, such as:

- obtaining third party access to an account;
- providing 100 points of identification; or
- attending a branch with their client.

The Committee notes that all of the subject complaints involve only four of the 13 banks that have subscribed to the Code.

Feedback to the Committee

The Committee regularly holds consumer fora at which it describes the Code, and the Committee's role to consumer advocates and seeks feedback on current banking issues relevant to the Code's operation. In a number of these fora, comments and feedback on issues relevant to Clause 29 have been a consistent theme. The Committee notes that the issues arising in formal

complaints as detailed above are echoed at the fora, with financial counsellors and consumer advocates commenting that:

1. Banks refuse to accept their ATP forms;
2. Banks fail to respond to correspondence within a reasonable time;
3. Banks claim not to have received ATP forms that are mailed or faxed to the bank; and
4. Banks continue to contact clients after a representative has been appointed and identified to the Bank.

Methodology

The Inquiry focused on the policies and procedures that banks have in place to handle communications with third party representatives such as financial counsellors.

The Inquiry comprised three main steps:

1. Reviewing all relevant complaints to the Committee and inviting submissions from relevant stakeholders;
2. A desk audit of all subscribing banks. All banks that subscribe to the Code completed a written questionnaire and provided supporting documentation; and
3. Compliance visits to selected banks. Four banks were selected to undergo compliance visits, where the key issues were addressed in greater detail.

Findings and Recommendations

The Committee has made specific recommendations to banks where it has identified a possible deficiency in bank compliance with the Code. Banks are required to report back to the Committee on the implementation of recommendations.

Where the Committee has identified what appears to be a breach of the Code, the Committee will write to the bank concerned to allow the bank an opportunity to make a submission on the potential breach. If the Committee determines that a breach has occurred, the Committee will liaise directly with the Bank to ensure that the breach is remedied.

Reporting on the Inquiry

This report sets out the general findings of the Inquiry without identifying any bank. It will be published on the Committee's website and sent to all subscribing banks and parties who made submissions to the Inquiry.

Each of the four banks that took part in the compliance visits will receive an additional report from the Committee on their compliance with Clause 29 of the Code. Any findings and recommendations will be contained in the individual bank reports.

Submissions to the Inquiry

The Committee received 13 submissions from a variety of non bank stakeholders including financial counsellors, financial counselling services and one consumer law agency.

A list of the parties that made submissions is attached at Annexure A.

Many of the submissions reflected the following general areas of concern regarding bank compliance with 1999 guideline, and more specifically, the banks' dealings with customers' representatives:

- Failure to provide clear and simple lines of communication for representatives to deal with banks on their clients' behalf;
- Delays in responding to communications, or failure to respond. A number of submissions complained that banks were tardy in their responses to representatives, particularly where statements or other documents were requested. Sometimes a bank response would simply not be provided;
- Banks refusing to accept the representative's ATP form. Some submissions to the Inquiry indicated that banks appear to be more prepared to accept a financial counselling service's ATP form than previously, however representatives are still advised from time to time that the customer must sign an official bank ATP form before the representative's authority to act is accepted;
- Banks requiring representatives to provide personal information for identification purposes. Some submissions to the Inquiry reported that many banks require additional information from the representative to enable the bank to identify the representative over the telephone. Banks have asked representatives to provide personal identifying information such as date of birth and driver's licence number; and
- Banks contacting customers directly after receiving advice that a representative has been appointed. Most submissions to the Inquiry indicated that this is a widespread practice.

Key Issues

The Committee has distilled the complaints, comments and submissions relating to Clause 29 of the Code to compile a list of key issues that represent the main areas of concern. The list of key issues was published in the Committee's November bulletin.

The desk audit questionnaire (a copy of which is attached at Annexure B) and the compliance visits were designed to target these areas of concern. Banks were asked to demonstrate compliance with Clause 29 with particular reference to:

- Availability of direct and effective lines of communication for representatives to contact banks;
- Delays in banks responding to communications from representatives, or failure to respond at all;
- Banks refusing to accept representatives' authority forms;
- Banks requiring personal information to identify representatives;
- Banks contacting customers directly after a representative has been appointed; and
- Banks ensuring that their own staff and agents, such as debt recovery agents, are trained in and comply with the debt collection guidelines.

References in this report to hardship claims and customers in hardship include claims of financial difficulty.

Findings

Efficient and effective responses to reports of customer hardship

A number of the consumer advocate submissions noted that being required to speak to Collections before being put through to a bank's hardship area is unnecessary and time consuming. Representatives complained about Collections staff having a 'gatekeeper' mentality and being focussed on debt recovery rather than engaging with the problem and designing appropriate solutions. Similar feedback on this issue has been provided to the Committee through formal complaints and general comments.

A number of submissions to the Inquiry cited a best practice example of a finance company that provided financial counsellors with the name and direct number of their hardship officer. Submissions also indicated that representatives were using the contact list provided by the Banking and Financial Services Ombudsman to avoid Collections and lodge hardship claims directly with the customer relations departments of the banks.

Desk audit

Most banks reported to the Committee that the main point of contact for representatives is the Collections area of the bank. This issue was reviewed in greater detail in the compliance visits.

Compliance visit

Some of the four banks that participated in the compliance visits were in the process of trialling new, dedicated contact arrangements for customer representatives. These trial arrangements involved representatives having direct access to the banks' hardship areas.

All the nominated contact staff for representatives, whether in Collections or a specialised hardship area, were trained and authorised to deal with hardship matters. However in at least one case, the authority of Collections staff to enter into arrangements with customers in hardship was limited. This led in some cases to a two step assessment process: first by a collections officer, and then by a hardship officer.

The Committee's view is that banks should ensure there is an accessible and effective entry point for customers and their representatives, regardless of where that entry point is. Collections may be the most appropriate contact point in smaller banks, for example, where the hardship function is part of the Collections area. Notwithstanding where the entry point is, once a

representative contacts the bank, the bank should ensure efficient and effective referral to the appropriate department to assist with that customer's needs.

In respect of the banks that were trialling new contact arrangements, representatives were being encouraged to make contact directly with the banks' respective hardship areas. At the time of the visit, no bank had fully rolled out the new arrangements, so referrals were still limited. One of these banks had not decided the question of how widely to advertise the contact details.

The Committee's view is that access for both customers and their representatives should be as direct as possible to the bank department that can assist the customer with their needs. The effectiveness of providing direct access points is compromised unless the contact points are advertised widely to those who are expected to access them.

Delays in responding to communications

Desk audit

The submissions to the Inquiry suggested that delays in responding to correspondence from representatives were a major problem. The desk audit responses did not report any problems on this matter.

Almost all banks indicated that they set timelines to respond to correspondence (relating to hardship or all correspondence) and the timelines nominated in the desk audit responses varied from 48 hours to 14 days. One bank indicated that while it did not set formal timelines, it aims to resolve matters as soon as practicable to reduce the likelihood of further financial difficulty.

Compliance visit

A more detailed investigation was undertaken with the four banks that took part in the compliance visits to establish what procedures banks have in place to monitor timelines and how effective these procedures are.

All four banks indicated that they had service level standards that required them to respond to correspondence promptly. However the emphasis on quick turn around appeared to be in respect of the initial contact from the representative and was not necessarily reflected in ongoing communications.

It appeared that primarily, the quick initial response involved the bank sending out a statement of financial position to be completed.

Two factors that appeared to create delays in the hardship process were the requirement that a written statement of financial position be completed, and a request for more information from a representative who had provided incomplete financial information. Banks reported that there could be substantial delays when waiting for responses from representatives.

All four banks reported that they were trialling, to greater or lesser degrees, processes that involved obtaining financial information over the telephone, with more than one bank describing this as a 'trust' exercise. These trials ranged from formal pilot programs to one bank "challenging itself" by occasionally accepting the information over the telephone. All banks indicated that expediting the processing of a hardship claim is a major factor in moving towards more telephone contact with representatives. Banks reported that for subsequent or longer term hardship variations, written information and supporting documentation would be required.

Correspondence that was monitored manually, that is, where a letter is date stamped and then dealt with in order of receipt, was potentially more susceptible to delays caused by the letter simply being lost or overlooked. In contrast, one bank reported that its correspondence is scanned and recorded electronically so that it can monitor the location and progress of correspondence.

The Committee commends the development of service level standards for response times, and encourages banks to actively monitor compliance with service level standards to ensure their effectiveness.

The Committee notes bank concerns that customer representatives can be difficult to contact. The Committee suggests that representatives may be able to assist in the reduction of delays by communicating more clearly with banks as to their availability or providing alternative contact details where appropriate. This could be especially useful where customer representatives work part time or across several offices as appears common, particularly in the financial counselling sector.

Banks refusing to accept ATP forms and requiring personal information to identify a representative

Desk audit

Desk audit responses indicated that all banks would accept an ATP form provided by a financial counselling service if it met the bank's minimum requirements. However when the Committee provided the banks with a copy of a template ATP form which is used by a number of financial counselling agencies and asked the banks to advise whether the form would be sufficient

for their purposes, only five banks indicated that they would accept the form without reservation.

A number of banks advised that they did not require a formal ATP form but would accept a letter or similar written instruction which includes the customer's signature, identifies the representative and is broad enough to cover the activities of the representative. In contrast, some banks require the details of the representative's employer, such as an ABN, the agency name and/or the ATP form on agency letterhead.

The majority of banks indicate that non personal information is sufficient for identification of representatives; however some banks require additional forms of identification such as a password, date of birth or PIN for the representative. A number of submissions raised concerns about requirements for representatives to provide personal information such as their date of birth to a bank in order to represent a client.

Although the 2005 guideline is not referred to in Clause 29, the Committee notes that all subscribing banks advise that they have adopted the 2005 guideline. In that context, the Committee suggests that banks who have more onerous requirements for their ATP forms and identification procedures should consider whether such requirements may constitute "unnecessary obstacles" as referred to in the 2005 guideline.

The Committee recognises that banks need to have procedures in place to properly identify customer representatives. However in the Committee's opinion, these procedures should not require customer representatives to provide their own personal information, such as their date of birth.

Compliance visit

Three of the four banks indicated that the format of an ATP form was not important, as long as sufficient information was provided to indicate the customer's details, the representative's details and the extent of the representative's authority. Only one of the banks visited imposed an identification requirement in addition to the general information provided on the form.

Closer relationships between representatives and hardship officers meant that identification of representatives became less of an issue, with one bank observing that under the new contact arrangement they were trialling, the members of the hardship team were getting to know representatives by name.

Contacting customers after a representative is appointed

Desk audit

All banks reported that they have procedures in place to ensure that the bank does not contact a customer directly after a representative has been appointed. Two banks advised in their desk audit response that they had received complaints on this issue in the past.

The Committee is aware that this is an area of great discontent among representatives, with complaints, submissions and comments to the Committee suggesting that the practice is common across the industry.

This issue was a particular focus of the compliance visits.

Compliance visit

Banks indicated that information about representatives was prominently displayed on their computer systems and staff were trained to check for this information. Once a representative is appointed, some banks manage written and telephone contact manually, so that there is no contact with the customer via automatically issued letters or telephone calls made through automatic diallers. However banks acknowledged that manual processes are more susceptible to staff error.

Despite the clear references in the 1999 guideline as to the limited circumstances in which a represented customer can be directly contacted, not all banks were compliant with this requirement, even though they indicated in their desk audit responses that they had procedures in place to ensure that the customer was not contacted.

Training of bank staff

Desk audit

All banks report that they have training in place to ensure staff are familiar with the bank's obligations under Clause 29 of the Code. The training is reported as being predominantly online and usually subject to assessment.

Some of the training programs cited by banks refer specifically to the Code of Banking Practice while other programs refer to the debt collection guidelines or the Trade Practices Act 1974. One bank reported that while its staff are trained to be compliant with all regulatory requirements, the requirements are embedded in the bank's policies and procedures. Therefore a bank officer adhering to the bank's policies and procedures will be compliant but will not necessarily be aware of all the relevant regulations and guidelines.

The above information was accepted on face value by the Committee as the desk audit did not involve a review of bank training materials.

Compliance visit

An examination of training material provided by the banks showed that while banks provide general training to their staff on the debt collection guidelines, there is little or no specific information on communicating with represented customers and ATP forms.

Banks largely rely on new staff receiving guidance from more experienced or senior staff. However the lack of formal training means that banks have limited control of, and input into, the information that is disseminated to new staff. The banks' reliance on word of mouth training in respect of represented customers may have contributed to the concerns raised in submissions which report inconsistencies in advice provided, and the level of acceptance of ATP forms, sometimes within the same bank.

The compliance visits gave the Committee an opportunity to examine in more detail the training programs nominated by the relevant banks in their desk audit responses.

Banks tended to focus on debt collection issues such coercion and harassment in their training. Whilst this is clearly very important, the Committee noted that there was very little formal training on dealing with representatives. In the absence of specific training on dealing with customer representatives and ATP forms, it appeared that staff were not assessed on their knowledge in this area.

The Committee considers that improved training on specific issues could assist banks in reducing the incidence of some of the problems identified in this report. In addition, or alternatively, banks could review the electronic resources available to staff and incorporate detailed information about their policies on ATP forms and represented customers.

Compliance with Clause 29 by agents of the bank

Desk audit

Banks report that they have incorporated the compliance obligations of collection agents into the service agreement between the bank and any agents. Most banks also have compliance programs which monitor agent activities and some provide training for the agents.

Submissions to this review and feedback received by the Committee through consumer fora, suggest that many of the problems reported by consumer advocates in respect of collection agents who do not comply with the debt collection guidelines occur in respect of debts that have been on sold, that is, where the collector is not an agent of the bank.

The conduct of those parties does not fall under the Code of Banking Practice and therefore cannot be considered in the context of this Inquiry.

Compliance visit

The compliance visits revealed that all four banks monitor compliance with the Code and the debt collection guidelines by their agents. These banks do not rely solely on their service agreements with the agents to ensure compliance.

Much of the compliance monitoring of debt collection agents appears similar to the monitoring of bank staff, with the use of call monitoring and file reviews. But while monitoring and training of staff is ongoing, monitoring of the bank's agents is generally undertaken on an annual basis. One bank reported that it undertook compliance monitoring not only of its agents, but also of businesses to which it had on sold debt.

While the Committee was able to establish that agents were generally monitored in respect of the debt collection guidelines, the Committee was unable to establish whether the compliance monitoring specifically considered communication with customer representatives. The Committee would encourage banks to look at this issue when they next review their compliance monitoring program for agents.

Best Practice

The Committee is committed to using its Inquiry function to identify, share and promote best practice. The Code's Key Commitments include a commitment by banks to continuously work towards improving the standards of practice and service and to monitor external developments.

The Committee is of the view that the following practices by banks are examples of best practice in the industry and the Committee recommends that banks should consider implementing the practices set out below.

Offering a direct contact point for counsellors representing customers in hardship

The Committee encourages banks to ensure nominated bank contact officers have sufficient authority to deal with a wide range of hardship claims and focus on consideration of hardship (as opposed to collection of overdue amounts), in their dealings with customer representatives.

Being flexible in relation to the format of an agent authority

The Committee's view is that a common sense approach to these issues, which involves looking at the substance of the authority granted rather than the form, balances the interests of the bank with the rights and needs of the customer. The Committee has included this matter in its issues for further consideration.

Flexibility in how the bank accepts information and using the telephone to communicate with representatives

The Committee recognises the benefits to all parties when hardship claims can be expedited through telephone communications, rather than requiring written information.

Effective monitoring of service level standards for response times

The effectiveness of service level standards relating to response times can only be assured where there is active monitoring of compliance with the relevant time frames.

The Committee considers that electronic monitoring of service level standards is a valuable tool, particularly where the results are in turn fed into and reviewed through the bank's general compliance monitoring program.

Engaging with financial counselling and consumer advocacy bodies

The Committee sees genuine benefits for banks in developing relationships with financial counselling services. This can be a beneficial relationship which gives counsellors an opportunity to find out about bank policies and procedures that affect them and their clients, and give banks access to direct feedback from counsellors on perceptions of their performance.

Issues for further consideration

Responses to this Inquiry, particularly from the banks taking part in the compliance visits, have identified several issues that require further consideration by industry and financial counselling services.

It has been suggested that the Committee host a forum for industry and financial counsellors to canvass these issues further. Where appropriate it may be possible to settle standards or protocols for effective communications.

Some of the specific questions a forum could consider include:

1. The format and duration of an ATP form. In the absence of an expiry date, how long is an ATP form valid? This issue needs to be clarified with all stakeholders, so that there is no misunderstanding as to when, in the absence of an express statement or intention, a representative ceases to act for a customer.
2. The development of a template statement of financial position. The suggestion was made by one of the banks to the Inquiry, and endorsed by several others, that a template statement of financial position should be developed for use by all banks and all representatives, where such information is required in writing.

The Committee is appreciative of the cooperation of all banks that took part in this inquiry.

Any queries or comments in relation to inquiry should be directed to Barbara Schade, Manager Compliance Reviews at PO Box 14240 MCMC Vic 8001.

Annexure A

List of parties who made submissions to the Inquiry

Australian Financial Counselling & Credit Reform Association Inc.

Care Financial Counselling Service

Consumer Credit Legal Service (WA) Inc.

Financial Counsellors' Association of NSW

Financial Counsellors' Association of Western Australia (Inc.) Members:

Nanette Williams
Richard Meggitt
Wendy Mahaffy
Joanne Carrington
Rowena Strain
Bill Webb

John Harte, Coordinator Financial Counselling, City of Stirling

Tricia Ross, Anglicare Northern Territory

Emma Ryan, Anglicare Tasmania

Annexure B



Code Compliance Monitoring Committee Inquiry into Bank Compliance with Clause 29 of the Code of Banking Practice

Desk Audit Questionnaire to Subscribing Banks

Collection of Information

1. How does the bank ensure that its staff comply with Clause 29?
2. Has the bank incorporated its obligations under Clause 29 into its policies and procedures?
3. What training is provided to staff in respect of Clause 29?
4. How does the bank ensure that its agents comply with Clause 29?

Debtor agents

5. How should a counsellor/advocate contact the bank?
6. Is the contact point advertised anywhere?
7. Has the bank received any complaints from counsellors/advocates about difficulty in locating/contacting the appropriate area of the bank? If so, please provide details.
8. Does the bank have a privacy/authority form to be completed when a debtor appoints a financial counsellor/consumer advocate? If so, please provide a copy.
9. Does the bank accept authority forms provided by financial counselling/ consumer advocacy agencies? If so, what are minimum requirements for such a form?
10. Can a counsellor/advocate fax or email the privacy/authority form to the bank?

11. What is the counsellor/advocate authorised to do when the form is received by the bank? For example, can they request copies of statements, negotiate repayment agreements, provide financial information?
12. What, if anything, does the bank do if the form is incomplete?

The following questions are based on the assumption that the bank has received a signed authority form which appoints an agent and authorises the agent to exchange information with the bank and negotiate with the bank on the customer's behalf, including negotiation of repayment agreements.

13. Does the form need to specify which accounts are subject to the agent's authority?
14. Please explain the bank's procedure when the privacy/authority form is received. For example, who processes the form, what happens to the form, how the agent is recorded in the bank's database?
15. Does the bank have any additional security measures (eg. PIN, password) to verify the identity of the debtor's agent?
16. Would the bank suggest to an advocate/counsellor that they arrange third party access to the debtor's account? If so, in what circumstances?
17. Does the bank have procedures to ensure that the bank does not communicate with the debtor directly after an agent is appointed?
18. In what circumstances would the bank contact the customer direct?
19. If the documentation from the counsellor/advocate states that the customer is in financial hardship, what procedures would the bank follow?
20. Could the counsellor/advocate discuss the customer's circumstances and/ or negotiate repayment arrangements by telephone? If so, how would this be arranged and to whom would they speak?
21. Does the bank have a dedicated contact point for counsellors/advocates?
22. Does the bank set timelines to respond to correspondence?
23. Are any of the procedures different if the agent is a lawyer or from a legal advice centre?

24. Do you wish to offer any additional comments on the bank's approach to dealing with financial counsellors and consumer advocates?

25. Has the bank received complaints about the manner or substance of any of its dealings with counsellors/advocates? If so, please provide details.

Documentation

1. Please provide copies of the bank's policies and procedures as they relate to Clause 29.
2. Please provide extracts of the bank's training programs as they relate to compliance with Clause 29. If different areas of the bank receive different and/or more frequent training, please provide details and copies.
3. If there are any documents/contracts that relate to the bank's obligation to ensure that its agents comply with Clause 29, please provide copies.
4. Does the bank publish any information about Clause 29? If so, please provide copies, including copies of any online information.

Authority Form template

I attach a template authority form which was developed by the Australian Financial Counselling and Credit Reform Association and which I understand is used by a number of different financial counselling agencies.

Could you please comment on whether the form is sufficient for the purpose of authorising the agent to deal with the bank on the customer's behalf, including exchanging financial information, obtaining copies of documentation and negotiating repayment or settlement arrangements.

Any other comments on the form, the Debt Collection Guidelines or regarding compliance with Clause 29 are welcomed.