

Appendix 1

CX4530 - Good Practice Guidance

The Banking Code Compliance Committee (BCCC) issues this guidance based on the Findings it made in relation to investigation CX4530. It sets out the BCCC's expectations for how Code-subscribing banks (banks) should ensure ongoing compliance with the relevant Code provisions.

Internal Dispute Resolution

1. Chapter 48 of the 2019 Code sets out banks' obligations in respect to handling customer complaints.
2. The 2019 Code states:
 - a. that banks should keep the customer informed of the progress of their complaint
 - b. how a bank should respond to a complaint, and
 - c. the timeframes for handling a complaint.
3. The 2019 Code also requires banks to comply with ASIC's guidelines.
4. RG 165 sets the industry standard for how banks should handle the IDR process. The IDR process provides banks with an opportunity to investigate, resolve or redress a problem brought forth by a customer.
5. Where a customer wishes to raise concerns about disputed transactions on their account, they may need to complete a disputed transaction form identifying the transactions and state the reason(s) for disputing the transaction. The BCCC expects the relevant team at the bank to review the information available and conduct its investigations into the disputed transactions.
6. The BCCC acknowledges that banks may receive very large volumes of disputed transaction forms from their customers. A customer may submit a form simply to request further information about a transaction. As a matter of course, it is not practical or reasonable for banks to record disputed transactions as an 'expression of dissatisfaction' unless the customer asks/implied that a complaint be lodged on their behalf.
7. The BCCC expects all banks to continue to work closely with customers to identify expressions of dissatisfaction and to resolve complaints in a manner that complies with both the 2019 Code and ASIC's guidelines.

Fair, reasonable and ethical behaviour

8. The BCCC notes that the Guiding Principles and clause 10 of the 2019 Code reiterates that banks must act fairly, reasonably and ethically in all their dealings with customers.
9. The BCCC published its [Guidance Note: Clause 10 – fair, reasonable and ethical behaviour \(Guidance Note\)](#), which outlines how it will assess banks' compliance with this 2019 Code obligation, in particular having regard to:
 - a. whether the bank can demonstrate that its engagement or decision making was guided or informed by clause 10 and the Guiding Principles
 - b. community standards and expectations, and
 - c. standards set by AFCA.
10. Chapter 14 of the 2019 Code requires banks to take extra care with customers who may be experiencing vulnerability.
11. Ensuring that banks are improving the experience and outcomes for customers who are experiencing vulnerability is a key priority for the BCCC. The BCCC plans to conduct a major inquiry into the inclusivity, accessibility and vulnerability Code obligations.
12. The BCCC expects banks to ensure ongoing compliance with these obligations in all their interactions with customers, taking into account the BCCC's Guidance Note and having consideration of the customer's vulnerable circumstances.