

BCCC Finding: CX4623 - Appendix 1

Good Practice Guidance

The Banking Code Compliance Committee (BCCC) issues this guidance based on the Findings it made in relation to investigation CX4623. It sets out the BCCC's expectations for how Code-subscribing banks (banks) should ensure ongoing compliance with the Code.

Authorised Representatives

1. The 2019 Code applies to banks and their representatives. This extends to the legal representatives of banks.
2. Banks are expected to have adequate processes in place to ensure their authorised representatives, including their legal representatives and debt collectors, comply with the Code.
3. Bank's representatives are expected to take appropriate steps to address applications for financial difficulty assistance made by a customer or their authorised representative.
4. In addition, if a customer notifies the bank that they wish to be represented by a third party, the bank is expected to comply with the customer's request. This means that an authorised representative must be the first point of contact in all following interactions.

Financial Difficulty

5. Part 9 of the 2019 Code requires banks to assist customers who are experiencing financial difficulty. These provisions apply to both customers and requests for financial difficulty assistance made by their representatives.
6. The predecessor body for the BCCC, the Code Compliance Monitoring Committee (CCMC) published its report [Assisting Customers in Financial Difficulty](#) in November 2018. The report makes recommendations for good industry practice and how banks can improve compliance with the Code's financial difficulty obligations.
7. This report encourages banks to take a flexible approach to assisting customers overcome their financial difficulties and engage in a genuine effort in providing assistance.
8. The Australian Banking Association has also published an Industry Guideline: [Promoting understanding about banks' financial hardship programs](#) which reflects good industry practice for banks dealing with applications of financial difficulty assistance.
9. The BCCC expects banks to give genuine consideration to the circumstances of each individual financial difficulty application made by a customer or their representative.

Internal Dispute Resolution (IDR)

10. Chapter 48 of the 2019 Code sets out how banks will deal with a customer's complaint. The BCCC notes that banks' IDR processes must comply with Australian Securities and Investments Commission's (ASIC) regulatory guidelines.
11. IDR Code obligations and ASIC's regulatory guidelines are designed to give banks the opportunity to hear customer's concerns and expressions of dissatisfaction and address them genuinely, efficiently and effectively.
12. The BCCC acknowledges ASIC is in the process of developing a revised version of RG165. The BCCC expects banks' complaint handling processes to comply with the applicable ASIC regulatory guide.

Training and fairness

13. Clause 9 of the 2019 Code requires banks to train their staff and representatives to competently do their work and understand how to comply with the Code.
14. The BCCC notes that clause 10 and the Guiding Principles of the 2019 Code require banks to act fairly, reasonably and ethically towards customers.
15. The BCCC has published its [Guidance Note](#), which outlines the expectation that bank staff will receive appropriate training on how to act fairly, reasonably and ethically towards customers. This also extends to an expectation that banks should conduct regular checks on its training, key performance indicators and culture to ensure that staff are supported and empowered to meet Code obligations.
16. The BCCC understands that staff errors may occur from time to time. However it is the responsibility of the bank to ensure its staff and authorised representatives can competently and efficiently discharge their functions in compliance with the Code.