



Annual Report

Year in Review 2019–2020



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Message from the Chair

For the Banking Code Compliance Committee (BCCC), 2019–20 has been a year of two distinct halves.

It began with a sense of optimism, following our smooth transition from the Code Compliance Monitoring Committee (CCMC) to the BCCC and the release of the 2019 Banking Code of Practice (2019 Code). We also welcomed six new Code-subscribing banks, taking the total number to 19. As the year progressed, however, first the bushfires and then the COVID-19 pandemic unleashed a global health and economic crisis that continues to pose a significant threat to millions of Australians and present banks with unprecedented operational challenges.

The BCCC's response to the pandemic has involved an approach that balances the needs of individual and small business customers with banks' ability to meet those needs while operating in extremely difficult circumstances.

We have reminded banks of their obligations under the Code to treat customers in a fair, reasonable and ethical manner, and we are closely monitoring their compliance with these ongoing obligations.

At the same time, we have re-prioritised some of our planned monitoring activities to enable banks to direct their resources towards assisting customers in need. We have also provided banks with relief from certain BCCC obligations through the extension of reporting deadlines and by changing the scope of some of our work, including our data collection requirements.

Maintaining a strong Code monitoring program was a priority throughout 2019–20. As it was the BCCC's first year monitoring the 2019 Code, much of our time was spent bedding in new ways of working and providing Code-subscribing banks with guidance on transitioning to, and complying with, the new Code. A key piece of work around this was our Transition Inquiry, which found that while banks committed significant time and resources to their Code transition projects, more needed to be done. This Inquiry has also informed several pieces of compliance monitoring work detailed elsewhere in this report.



In response to the inclusion of several enhanced protections for small businesses and farmers in the 2019 Code, the BCCC established an expert Small Business and Agribusiness Advisory Panel in April 2020. Panel members will provide guidance and advice on the experiences and needs of small business and agribusiness customers when engaging with banks, including how they are impacted by banks' policies and procedures. The Panel will also support our efforts to monitor banks' compliance with their obligations to small business and agribusiness customers by contributing their expertise to our inquiries and investigations, strategic planning, and stakeholder engagement.

Breach reporting remains a vital aspect of the BCCC's compliance monitoring program, and our work this year included publishing the findings of banks' compliance with the 2013 Code for the 2018–19 reporting period, as well as their compliance with the 2019 Code for the first six months of the 2019–20 reporting year. While both pieces of research show evidence of some improvement in banks'

breach reporting, we continue to see human error blamed for the vast majority of Code breaches. In an effort to address this, the BCCC initiated a project to develop guidance that will assist banks to build organisational capability and embed a culture of Code compliance. We will soon publish a report of the outcomes of this work.

The BCCC's work investigating Code breach allegations was extensive this year. In addition to reviewing almost twice as many new breach allegations as the previous year, we have required banks to conduct internal and external audits to support our targeted investigations work. Most significantly, one of the six findings we made resulted in the BCCC naming a bank for serious and systemic non-compliance with the Code – the first time the BCCC has done so under our Charter (see page 14). The BCCC has not imposed this naming sanction lightly; we have given careful consideration to a number of factors, including the seriousness of the breaches and their likely impact on the bank's customers.

The BCCC is in the concluding stages of an Inquiry into banks' compliance with the guarantee protections in the 2013 Code which will have ongoing relevance in light of the similar obligations under the 2019 Code. Maintaining our focus on the treatment of customers experiencing vulnerability and small businesses, we have commenced an Inquiry into how banks consider vulnerability, inclusivity and accessibility throughout the entire consumer and small business banking experience.

This includes the design of products and services, lending, financial difficulty, complaint resolution and debt recovery.

As we look towards 2020–21, the BCCC will continue to implement a risk-based approach to customer concerns, and conduct targeted investigations and inquiries into emerging issues and suspected serious and systemic misconduct. This work will include monitoring how banks identify and treat customers who may be experiencing financial difficulty – key considerations in light of the ongoing impacts of the COVID-19 pandemic.

I take this opportunity to formally thank my predecessor, Christopher Doogan AM, whose final term as Chair of the Committee ended on 30 January 2020. During his two terms in the role, Chris worked tirelessly to drive best practice within the Australian banking industry. His efforts to improve and enforce banks' understanding of the

Code and the role of the Committee in monitoring Code compliance, as well as his oversight of the Committee's transition to the 2019 Code, have been exemplary.

I would also like to thank my colleagues, Industry Representative Anne O'Donnell and Consumer Representative Gordon Renouf, for their invaluable insight and contribution to Committee activities during the year, and for their support of me in my first year as Chair.

Finally, on behalf of the BCCC, I extend my gratitude to Chief Executive Officer Sally Davis, Compliance Manager Liam Cronin and the secretariat staff, for their continued hard work and support of the Committee over the last 12 months.



Ian Govey AM

Our work at a glance

Our work in progress

- ▶ Inquiry into compliance with guarantee obligations
- ▶ Inquiry into compliance with vulnerability, inclusivity and accessibility obligations
- ▶ Research on systems and organisational capability to improve compliance
- ▶ Six-monthly breach data collection and reporting
- ▶ Targeted inquiries into serious and systemic breach concerns, including requiring banks to conduct audits

Areas of emerging priority

The BCCC is committed to undertaking monitoring activities into:

- ▶ Financial difficulty
- ▶ Direct debit obligations
- ▶ Complaints handling
- ▶ Deceased estates

Summary of key outputs over the last three years

2019–20

- ▶ Transition to the BCCC (July 2019)
- ▶ Guidance Note No 1: Breach Identification and Reporting (September 2019)
- ▶ Banks' Transition to the 2019 Banking Code of Practice Inquiry Report (November 2019)
- ▶ Compliance with the Code of Banking Practice 2018–19 (November 2019)
- ▶ Guidance Note No 2: Clause 10 – fair, reasonable and ethical behaviour (November 2019)
- ▶ Six Code breach findings

2018–19

- ▶ CCMC Inquiry Report: Assisting customers in financial difficulty (November 2018)
- ▶ CCMC Report Compliance with the Code of Banking Practice 2017–18 (November 2018)

2017–18

- ▶ CCMC Special Report: Access to Banking Services by Indigenous Customers (July 2017)
- ▶ CCMC Report: Improving banks' compliance with direct debit cancellation obligations (October 2017)
- ▶ CCMC Report: Inquiry into Breach Reporting (June 2018)

Our monitoring activities

Breach reporting and compliance data

A key component of our monitoring efforts is assessing banks' compliance with the Code. As part of this process, banks must self-report Code breaches to us via a Banking Code Compliance Statement. The information we receive from banks about how and why they have breached the Code demonstrates their own efforts to monitor compliance and helps us identify current and emerging risks, and provide guidance on where banks can improve their practices.

Prior to transitioning to the new Code on 1 July 2019, banks were required to self-report breach data annually. They now must provide the BCCC with breach data every six months. Accordingly, our monitoring activities during 2019–20 involved publishing a report on banks' Code compliance during the previous reporting year against the 2013 Code, as well as collecting breach data for the first six months of the 2019–20 reporting year against the 2019 Code.

Compliance with the Code of Banking Practice 2018–19

For 2018–19, banks self-reported breaches of the 2013 Code via the final Annual Compliance Statement (ACS). The findings from our analysis of banks' responses to the ACS were published in our report, Compliance with the Code of Banking Practice 2018–19.¹ The report gave us an opportunity to measure the industry's

compliance with the 2013 Code while providing an indication of potential challenges as banks transitioned to the 2019 Code.

Key findings include:

- ▶ Banks self-reported 15,597 Code breaches in 2018–19 compared to 10,123 in 2017–18.
- ▶ More than 9 million customers were affected.
- ▶ The total financial impact of the breaches was more than \$90 million.
- ▶ Human error caused 91% of all breaches.
- ▶ The most commonly breached Code clauses were similar to 2017–18, with the majority of breaches concerning the Code's obligations around privacy and confidentiality, and responsible lending (see Table 1).

TABLE 1. TOP 6 CODE OBLIGATIONS BREACHED IN 2018–19

4,821	4,066
Privacy and confidentiality	Responsible lending
2,432	1,289
Complaints handling	Debt collection
714	555
Financial difficulties	Key commitments

¹ The full report can be downloaded at <https://bankingcode.org.au/app/uploads/2019/11/BCCC-Report-Compliance-with-the-Code-of-Banking-Practice-2018-19-November-2019.pdf>

While the report showed that banks recorded 54% more Code breaches than the previous reporting period, there was also evidence that some banks' compliance frameworks were not sufficiently robust to enable them to identify, record and report all Code breaches in a timely manner. This left the BCCC with concerns about the preparedness of some banks to meet the new reporting standards of the 2019 Code, particularly in relation to the new, six-monthly reporting timeframes.

Banks' Code compliance data – July to December 2019

The first compliance reporting we received from banks following their transition to the 2019 Code showed a substantial increase in Code breaches from 2018–19.² Banks self-reported a total of 20,863 breaches for the six months to December 2019 – an increase of 34% on the number reported for the entire 2018–19 reporting period – and human error was once again named as the cause of most breaches. Some 4.4 million customers were reported as having been affected by the breaches, with an overall financial impact of \$100 million.

TABLE 2. TOP 6 CODE CHAPTERS BREACHED BETWEEN JULY AND DECEMBER 2019

5,869

Protecting confidentiality
(Chapter 5)

4,726

Trained and competent staff
(Chapter 4)

2,446

Responsible lending
(Chapter 17)

1,703

Debt recovery
(Chapter 43)

1,567

Financial difficulty
(Chapter 39)

1,171

Complaints handling
(Chapter 48)

The BCCC was encouraged to see some improvement in banks' breach reporting in the first six months after transitioning to the 2019 Code. Some banks appear to be doing better than others. Overall, we believe there is still progress to be made to ensure all Code breaches are being identified and reported to us, and we encourage all Code-subscribing banks to make use of our guidance resources and reports to improve their Code compliance reporting.

² The full report analysing banks' responses to the Banking Code Compliance Statement for the six months to December 2019 can be downloaded at <https://bankingcode.org.au/resources/bccc-report-banks-compliance-with-the-banking-code-of-practice-july-to-december-2019/>

2019 Code Transition Inquiry

One of the BCCC's first priorities was to launch an inquiry into banks' transition to the 2019 Code to see whether they had taken the necessary steps to ensure compliance. The Inquiry was a holistic review of all banks' transition to the Code, conducted between July and October 2019, with the findings published in a report in November 2019.³

The Inquiry found that transition to the new Code was a major undertaking for all banks leading up to 1 July 2019, with significant resources dedicated to planning and executing Code transition projects. Bank-wide efforts were made to deliver transition projects that covered all relevant business units, distribution channels, systems, training and culture to support ongoing compliance with the Code. Despite this, the Inquiry also raised concerns about compliance in a number of key areas across the industry, and highlighted the need for banks to continue their efforts to meet the BCCC's expectations and the higher standards required under the 2019 Code.

Areas for improved practice

To support the work required to be undertaken by banks, the report set out a number of specific recommendations for banks to achieve good practice and ensure ongoing compliance with the 2019 Code, with a focus on issues including:

- ▶ Senior executive oversight of compliance
- ▶ Staff training and key performance metrics
- ▶ Inclusive and accessible services for all customers
- ▶ Customers experiencing vulnerability
- ▶ Treatment of small business and farming customers.

Key recommendations include:

- ▶ Even beyond transition, senior executive staff should ensure that the spirit and awareness of Code obligations is embedded at all levels of the bank.
- ▶ Staff training programs should adequately raise staff awareness and competency to identify and report a possible breach of the Code internally. Training programs should promote the importance of a positive customer-focused culture that promotes compliance with the Code.
- ▶ Banks should review and develop KPIs that ensure staff performance metrics promote behaviours that prioritise good customer outcomes and reflect the Guiding Principles and spirit of the Code.
- ▶ Banks should continue developing initiatives to improve products and services that are inclusive and accessible to all groups of customers. Bespoke initiatives are important to challenge old ways of working and using external partners may provide useful expertise.

³ BCCC Inquiry Report: Banks' transition to the 2019 Banking Code of Practice <https://bankingcode.org.au/app/uploads/2019/11/BCCC-Inquiry-Report-Banks-transition-to-the-2019-Banking-Code-of-Practice-November-2019.pdf>

- ▶ Banks should adopt a broad interpretation of inclusive and accessible products and services.
- ▶ Banks should develop specific vulnerability policies, processes, training and resources to support compliance with Chapter 14. Training should be delivered to all customer facing staff on an ongoing basis.
- ▶ Where a bank has chosen to adopt a broader small business definition, it should not later assert the relevant Code obligations do not apply.
- ▶ Without exception, banks must develop capabilities for reporting small business data to the BCCC. Banks need to provide consistent reporting to allow for benchmarking and year-on-year comparisons.

Since completing the Transition Inquiry, the BCCC has conducted further monitoring work, including providing tailored feedback to each bank around specific compliance concerns and banks themselves have planned to conduct post-implementation reviews of their Code transition projects within the first 12 months of the 2019 Code coming into effect. We will engage with banks on the outcome of these reviews in due course.

We also plan to conduct further inquiries and targeted monitoring activities throughout 2020–21 focusing on banks' compliance with specific areas of the 2019 Code, including the treatment of customers experiencing vulnerability and small business customers.

Looking ahead

Vulnerability, inclusivity and accessibility

Throughout 2020–21, the BCCC will continue an Inquiry into banks' compliance with Part 4 of the Code, which outlines the key consumer protections for disadvantaged customers. Part 4 contains several new obligations that were introduced with the 2019 Code, including the requirement to treat customers experiencing vulnerable circumstances with sensitivity, respect and compassion; and the need to make banking services inclusive and accessible to everybody, including older people, people with disability, Indigenous people and people with limited English.

The Inquiry was prompted by our 2019 Code Transition Inquiry, which found that while banks had made significant efforts to empower staff to take extra care with customers experiencing vulnerable circumstances, there was more work to be done. The Inquiry's scope has been informed by feedback from the Australian Banking Association (ABA), the Australian Financial Complaints Authority (AFCA) and a number of consumer advocacy groups and small business stakeholders. We have also invited submissions from individual and small business customers and their representatives.

Investigations and targeted inquiries

The BCCC has discretionary powers to investigate an allegation from any person that a Code-subscribing bank has breached the Code.

We can also investigate potential Code breaches that we identify through our monitoring activities, such as inquiries. In 2019–20, the BCCC received 82 new breach allegation matters – almost twice as many as the 45 matters received the previous year.

Our investigations allow us to focus on concerns raised by individual customers, and to consider compliance issues within individual banks. When someone reports a Code breach allegation to the BCCC, we proceed according to a five-stage process outlined in the BCCC Operating Procedures. This process allows us to focus on matters of highest priority, particularly those that may be serious or systemic breaches.

Where we decide to commence an investigation, we review the bank's Code compliance against the allegation to determine whether a breach has occurred and, if so, work with the bank to find the cause and fix it to prevent a recurrence. In some cases, the BCCC requires banks to engage external parties to conduct performance audits to identify the extent and cause of non-compliance.

Once an investigation is complete, we can issue a compliance finding to confirm whether or not a bank has breached the Code, and in some cases, the BCCC continues to monitor aspects of a bank's conduct identified throughout the investigation. The BCCC publishes its findings on a de-identified basis to encourage continuous improvement in the banking industry.

To date the BCCC has made six Code breach findings as a result of investigations work conducted during 2019-20.⁴ Several other matters remain in progress. Further details of the BCCC's findings are provided in Table 3 below.

Each finding includes good practice guidance, setting out the BCCC's expectations for how banks should ensure ongoing compliance with the relevant Code provisions. While all six findings related to alleged breaches of either the 2004 Code or the 2013 Code, we expect banks to read the guidance in the context of their obligations under the 2019 Code.

⁴ Findings can be viewed at <https://bankingcode.org.au/resource/findings/>

TABLE 3. BCCC FINDINGS

Case reference	Finding
CX4530	<p>The bank did not breach the following 2013 Code obligations:</p> <ul style="list-style-type: none"> ▶ clause 37.2 (internal dispute resolution), and ▶ clause 3.2 (fair and reasonable conduct).
CX5991	<p>The bank:</p> <ul style="list-style-type: none"> ▶ breached the following 2013 Code obligations: <ul style="list-style-type: none"> – clause 12.1(a), 13.1, 13.2 and 13.3 (copies of documents), and – clause 3.2 (fair and reasonable conduct). ▶ did not breach clause 3.1(e) (communicate in a timely manner).
CX4371	<p>The bank breached:</p> <ul style="list-style-type: none"> ▶ clause 25.1 (provision of credit) of the 2004 Code, and ▶ clauses 28.2 (financial difficulty), 37.2 (complaints handling), 3.2 (fair and reasonable conduct) of the 2013 Code. <p>The BCCC warned the bank about its conduct when engaging with the customer in this case.</p>
CX4613	<p>The bank breached the following 2013 Code obligations:</p> <ul style="list-style-type: none"> ▶ clause 27 (provision of credit) ▶ clause 28.2 (financial difficulty), and ▶ clause 3.2 (fair and reasonable conduct).
CX4623	<p>The bank breached the following 2013 Code obligations:</p> <ul style="list-style-type: none"> ▶ clause 28.2 (overcoming financial difficulty) ▶ clauses 28.3 and 32.1 (dealing with authorised representatives) ▶ clause 28.6 (responding to financial difficulty requests) ▶ clause 28.8 (written reasons for financial difficulty assistance) ▶ clause 37.2 (internal dispute resolution) ▶ clause 9 (staff training and competency), and ▶ clause 3.2 (fair and reasonable conduct).
CX3998	<p>The BCCC has imposed the sanction to name the bank for breaches of the 2013 Code – see Page 14 for further information.</p>

Bendigo and Adelaide Bank sanctioned for serious and systemic Code breaches

In March 2017, the CCMC commenced an investigation into Bendigo and Adelaide Bank. The investigation focussed, in particular, on its Great Southern Loans (GSL) business unit's compliance with the 2013 Code of Banking Practice (2013 Code). As part of this investigation, Bendigo and Adelaide Bank was required by the BCCC to engage an external and independent party to conduct an investigatory Audit into the GSL business unit's compliance with the 2013 Code from February 2015 to February 2019.⁵

The Audit found that the GSL business unit was largely segregated from the bank's broader operations and it had inadequate systems, processes and resources to cope with a large influx of collections activity in 2015.

The BCCC concluded that the bank's lack of oversight led to a failure to build a strong compliance structure and framework that could robustly identify, investigate, record and report instances of non-compliance with the 2013 Code within GSL.

The BCCC's sanctioning powers

Section 7 of the BCCC Charter empowers the BCCC to apply sanctions to a Code subscriber for a breach of the Code, and to determine the type of sanctions to apply according to the seriousness of the breach.

Sanctions available to the BCCC are:

- a. To require a Code subscriber to rectify or take corrective action on the breach identified
- b. To require a Code subscriber to undertake a compliance review of their remediation actions
- c. To formally warn a Code subscriber
- d. To require a Code subscriber to conduct a staff training program on the Code
- e. To name the Code subscriber in the BCCC annual report or website; and
- f. To report serious or systemic ongoing instances, where a Code subscriber has been non-compliant to ASIC.

⁵ Namely, clauses 32.1 (debt collection) and 28 (financial difficulty) of the 2013 Code.



The BCCC has now issued a Finding which concluded that Bendigo and Adelaide Bank breached the following provisions of the 2013 Code:

- ▶ Clause 32.1 (debt collection)
- ▶ Clause 28.2 (financial difficulty)
- ▶ Clause 37 (complaints handling)
- ▶ Clause 24 (privacy and confidentiality)
- ▶ Clause 9 (training and competency)
- ▶ Clause 36(g) (complying with CCMC/ BCCC requests)
- ▶ Clause 3.2 (acting fairly and reasonably).

The BCCC found that the bank's breaches of all obligations listed above were systemic (with the exception of clause 36(g)) and serious.

Taking into account the seriousness of the breaches and their likely impact on GSL customers, the BCCC imposes a sanction to name Bendigo and Adelaide Bank in this Annual Report and on our website for breaches of the 2013 Code.

The BCCC acknowledges the work Bendigo and Adelaide Bank has undertaken since the completion of the Audit to address the shortfalls and root causes identified to ensure its ongoing compliance with the Code. We also note the bank's ongoing efforts to remediate any applicable GSL customers who were adversely impacted by Bendigo and Adelaide Bank's non-compliance with the 2013 Code.

Promoting improved practice in the banking industry

Guidance Notes

The BCCC published two Guidance Notes⁶ during 2019–20 to help banks meet their obligations under the 2019 Code. Our Guidance Notes are developed in consultation with key stakeholders.

Guidance Note No. 1: Breach Identification and Reporting

The first Guidance Note, published in September 2019, sets out the BCCC's expectations for how banks should identify, record and report breaches of the 2019 Code. Comprehensive breach reporting is essential for banks to demonstrate accountability for their compliance with the Code, and the BCCC expects banks to have methodical processes in place to ensure that breaches are identified and corrected, and to be transparent in their breach reporting. The Guidance Note provides detailed information about:

- ▶ the BCCC's compliance monitoring program
- ▶ BCCC data collection
- ▶ Code monitoring and breach identification
- ▶ breach assessment and remediation
- ▶ breach reporting
- ▶ BCCC response to breach reporting
- ▶ breach classification.

Guidance Note No. 2: Clause 10 – fair, reasonable and ethical behaviour

The BCCC's second Guidance Note was published in November 2019 to assist Code subscribing banks to interpret clause 10 of the 2019 Code. Clause 10 deals with banks' obligation to engage with customers in a fair, reasonable and ethical manner. It is one of the Code's most important obligations and should be embedded within banks' internal culture to ensure they meet the BCCC's expectations to act fairly, reasonably and ethically in all circumstances.

The Guidance Note highlights that clause 10 is a broad obligation and extends to the design of banks' products and services, marketing and sales practices, processes and policies. In accordance with clause 9 of the Code, banks must ensure staff are supported and trained to competently comply with clause 10. Banks must identify, investigate and fix any breaches of the fairness obligation and report them to the BCCC.

⁶ Guidance Notes are published on the BCCC website – <https://bankingcode.org.au/resource/guidance-notes/>



Code and Committee transition resources

BCCC Operating Procedures

In accordance with clause 13.1 of our Charter, the BCCC developed operating procedures to support our compliance monitoring program and our key monitoring activities. Published in July 2019 to coincide with the transition of the CCMC to the BCCC and the release of the 2019 Code, the Operating Procedures cover the following areas:

- ▶ Inquiries
- ▶ Investigations
- ▶ Making findings of non-compliance
- ▶ Imposing sanctions.

2019 Banking Code of Practice Quick Reference Guide

In July 2019, the BCCC published a short reference guide for consumers to inform them about the Code's purpose, the role of the BCCC in monitoring banks' compliance with the Code, and the Code's key consumer protections.

Submissions to industry consultations

ASIC's consultation to update RG 165: Licensing: Internal and external dispute resolution

The BCCC contributed to ASIC's work to update the dispute resolution regulatory guide – RG 165: Licensing: Internal and external dispute resolution. Responding to the proposed changes set out by ASIC in Consultation Paper 311, the BCCC's comments included that it:

- ▶ Supported the updated definition of 'complaint' and agreed that it would positively impact the way banks identify and address complaints made via their social media platforms through their internal dispute resolution (IDR) process.

- ▶ Supported the introduction of additional guidance on whether a matter raised by a consumer is a complaint and the point at which a complaint must be dealt with under a financial firm's IDR process. Acknowledging ASIC's reference to the BCCC's report *Compliance with the Code of Banking Practice 2017-18* in making this proposal, the BCCC noted that any guidance that may lead to the banking industry taking a more consistent approach to complaints handling and the recording of complaints data will also enable the BCCC to spend more time focusing on the underlying issues of the complaints and work to improve standards of practice and compliance with the Code.
- ▶ Agreed that financial firms should be required to record all complaints, including those that are resolved to a complainant's satisfaction at the first point of contact. The BCCC noted that this would give banks a much deeper source of data about customer complaints and provide them with clear guidance on the factors they must consider when determining whether a complaint has been resolved to a 'complainant's satisfaction'. The BCCC considers that recording details of all complaints will ensure that banks are able to monitor their compliance with RG 165 and consequently the Code's IDR requirements.

- ▶ Supported the new requirements for identifying, escalating and analysing systemic issues, noting that they are likely to ensure that Code breaches, including serious and systemic breaches, are identified and rectified, ultimately leading to improved Code compliance.

Stakeholder engagement

The BCCC or its Secretariat attended over 100 meetings with a range of stakeholders, including Code subscribing banks, regulators, consumer groups and AFCA throughout 2019-20.

The BCCC regularly meets with banks at both a senior and operational level to discuss emerging issues, specific compliance concerns and to ensure the Code is kept front of mind for both executives and frontline employees.

The BCCC thanks financial counsellors, community legal centres, state-based Legal Aid organisations and other community groups that have shared a wealth of information about banking practices this year. This is critical in helping us to ensure we identify current and emerging problems and contributes to the scoping of targeted investigations and inquiries.

About the BCCC

The BCCC's purpose is to monitor and drive best practice Code compliance.

To do this, the BCCC:

- ▶ examines banks' practices
- ▶ identifies current and emerging industry wide problems
- ▶ recommends improvements to bank practices, and
- ▶ consults and keep stakeholders and the public informed.

The BCCC's 2018–21 Strategic Plan sets out how the BCCC will fulfil its purpose to monitor and drive best practice Code compliance.

The BCCC's 2019-20 Business Plan set out the BCCC's key priorities and focus areas during the 2019–20 period. The BCCC's 2020-21 Business Plan is available on its website.

The terms that govern the functions and operations of the BCCC are set out in its Charter.



The Committee

Three representatives make up the Committee. The Independent Chairperson is jointly appointed by the ABA and AFCA. The Chair is joined by an industry representative, appointed by Code-subscribing banks, and a consumer representative, appointed by the consumer representatives of the AFCA Board of Directors.



Ian Govey AM

Independent Chairperson

Current term: February 2020 – February 2023

Ian is a lawyer by training and occupied a number of senior positions with the Commonwealth Government before leaving in 2016.

These roles included the position of Australian Government Solicitor (AGS) and AGS chief executive between 2010 and 2016, and Deputy Secretary of the Attorney-General's Department from 2000 to 2016. His work in the Attorney-General's Department and The Treasury focused significantly on commercial law reform.

Ian is Chair of the Audit Committee of the Federal Court of Australia and Deputy Chair of the Audit Committee of the Commonwealth Director of Public Prosecutions. His other current roles include director of the Australasian Legal Information Institute (AustLII) and director, and member of the executive of, the Australian Centre for International Commercial Arbitration (ACICA).

Ian's former roles include membership of the National Alternative Dispute Resolution Advisory Council (NADRAC) and representing Australia as a delegate at international forums, including as the elected Australian member of the Governing Council of the International Institute for the Unification of Private Law (UNIDROIT).

Ian was appointed a Member of the Order of Australia (AM) in the General Division in the 2015 Australia Day Honours for 'significant service to public administration and to the law, as a leader in the provision of government services, and to professional organisations'. He is also a fellow of the Australian Academy of Law.

Ian has degrees in Law from the University of Adelaide and in Economics from the Australian National University (ANU).



Anne O'Donnell

Industry Representative

Current term: 27 October 2018 – 26 October 2021

Anne is a non-executive director with extensive work experience in the banking, funds management and superannuation sectors.

Anne is a director of Equity Trustees Holdings Ltd, an ASX-listed company providing specialist Corporate Trustee and Wealth Services and a director of the MTAA Superannuation Fund. Other current non-executive roles include director of The Churchill Memorial Trust, member of the UBS Compliance Committee and chair of IP Australia's Audit Committee.

Her past roles include Chair of Beyond Bank, Chief Executive Officer and Managing Director of Australian Ethical Investment Ltd and twenty years with the ANZ Bank. Anne holds a Masters of Business Administration and a Bachelor of Arts, Banking and Finance. She is a Senior Fellow of the FINSIA and a Fellow of the AICD.



Gordon Renouf

Consumer Representative

Current term: 1 July 2017 – 30 June 2021

Gordon is a lawyer and consumer advocate. He is a co-founder and CEO of Ethical Consumers Australia, which operates the Good On You ethical shopping service.

He is Deputy Chair of Justice Connect and the Consumers' Federation of Australia and serves on the boards of the Telecommunications Industry Ombudsman (as a Director with Consumer Experience) and Good Environmental Choice Australia.

Gordon served two terms as a member of the Commonwealth Government's Consumer Affairs Advisory Council, and from 2007 to 2009 he was a member of the executive of Consumers International, the global peak body for national consumer organisations. Gordon has worked as Director, Policy and Campaigns for the consumer group CHOICE, Director of the National Pro Bono Resource Centre, Director of the North Australian Aboriginal Legal Aid Service and Director of the Northern Territory Government's 2004 Alcohol Framework Inquiry.

The Secretariat

The Committee is supported by a secretariat through a business arrangement with the Australian Financial Complaints Authority. The Secretariat is led by Chief Executive Officer, Sally Davis, and is supported by a team made up of a Compliance Manager, an Investigations Manager and Compliance Analysts.



Sally Davis GAICD

Chief Executive Officer

September 2015 – current

Sally is the CEO of the Banking Code Compliance Committee and also General Manager – Codes at AFCA.

Her role includes oversight of the Business Plan and Budget of the BCCC and four other independent Committees which monitor compliance with codes of practice across the financial services industry.

Sally has worked at AFCA and its predecessor schemes since 2000 and was previously Senior Manager of Systemic Issues at the Financial Ombudsman Service. Sally has extensive experience in the financial services industry, as well as good relationships with regulators, industry and consumer groups. Sally is passionate about providing community assurance and ensuring continuous improvement through her role supporting the Committee.

Sally is an accredited mediator and holds a Bachelor of Commerce and a Bachelor of Laws degree from the University of Melbourne and a Graduate Diploma (Arts) from Monash University.

BCCC financial details

	30 June 2019	30 June 2020
Staff costs		
Gross salaries (including Committee remuneration), leave provisions, Super, training and recruitment	\$906,255	\$1,153,692
Operating expenses		
Office Costs	\$9,329	\$9,643
Professional Assistance	\$51,163	\$159,911
Communications, Stakeholder Relations & Travel	\$118,366	\$55,081
Technology	\$43,979	\$47,256
Occupancy Costs	\$58,281	\$82,706
Total Salaries and Expenses	\$1,187,372	\$1,508,289
Total Funding	\$1,237,385	\$1,530,918
Annual Surplus/ (Deficit)	\$50,013	\$22,629

Contact details

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 PO Box 14240
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 1800 931 678
(This is a telephone service provided by
AFCA – please ask to speak to the Code
Compliance and Monitoring team)



BCCC
Banking Code
Compliance Committee