

BCCC Finding CX3998 – Appendix 1

Good Practice Guidance

The Banking Code Compliance Committee (BCCC) issues this guidance based on the findings it made in relation to investigation CX3998. It sets out the BCCC's expectations for how Code-subscribing banks (banks) should ensure ongoing compliance with the Code.

Oversight and management of business units

1. Banks should ensure their business units and subsidiaries have adequate resources and frameworks in place for staff to comply with the applicable provisions of the Code. Segregating a business unit from a bank's broader operations may result in a lack of oversight of the compliance frameworks that the business units operate within.
2. Further, a bank's failure in aligning the practices and processes of its business units with those adopted across the wider bank may lead to the business unit not benefitting from the bank's customer engagement experience and compliance monitoring activities.
3. The BCCC therefore expects banks to ensure they have appropriate and adequate oversight of the compliance framework to ensure compliance with the Code across all relevant business units and subsidiaries.

Co-operating and complying with the BCCC's requests

4. Clause 213 of the 2019 Code requires banks to co-operate and comply with all reasonable requests of the BCCC in the performance of its monitoring and investigate activities.
5. The BCCC's purpose is to monitor and drive best practice compliance with the Code. In order to achieve this, the BCCC requires banks to:
 - a. be cooperative and transparent with the BCCC, and
 - b. be supported from the highest levels with the bank to ensure continued compliance with the Code.
6. The BCCC encourages banks to adopt a collaborative approach with the BCCC and continue to develop compliance and monitoring frameworks that support compliance with the Code and to identify, record and report instances of non-compliance.
7. The BCCC reiterates the importance of banks providing accurate, clear and comprehensive responses to BCCC's information requests to assist it in effectively carrying out its investigative and monitoring functions.
8. A failure to undertake the above approach may result in a bank breaching clause 213 of the 2019 Code.