



Banking Code  
Compliance Committee

# Annual Report 2022-23

# About this report

This Annual Report covers the Banking Code Compliance Committee's (BCCC) operations from 1 July 2022 to 30 June 2023.

It summarises our work in monitoring the compliance of [the banks that subscribed](#) to the Australian Banking Association's (ABA) [Banking Code of Practice](#) (the Code) during the period.

The report was prepared for the purposes of clause 9.3 of the [BCCC Charter](#), which requires that we publish an annual report reporting on our yearly activities and present the report to the ABA Council.

Published September 2023.

## Acknowledgement of Country



We acknowledge the traditional owners of Country throughout Australia and their continuing connection to the land, culture and community. We pay our respects to Elders past, present and future.

This land is, was, and always will be, traditional First Nations Country.

# Contents

Chair's message .....	4
Our year .....	5
Our activities .....	6
Our engagement .....	14
Continued focus on improvement .....	20
Looking ahead .....	23
About us .....	26
Finances .....	32

# Chair's message

The importance of our work was exemplified in 2022–23 with the report of our inquiry into management of deceased estates.

It was a huge achievement and a vital reminder of the impact of banking practices on the lives of everyday people.

Revealing serious issues and highlighting where banks fell short of obligations, the inquiry and resulting report shone a light on poor practices and has since been a catalyst for change in the industry.

Importantly, it received extensive coverage and elicited commitments from banks to improve, emphasising the benefits of the Code and our work monitoring compliance.



**Our work cannot succeed without effective engagement and collaboration across the industry, and 2022–23 was testament to benefits of this.**

The BCCC Forum brought together a range of people and perspectives to critically examine issues and discuss solutions, which offered valuable insights for us.

And our Small Business Workshop, which looked at issues of financial difficulty, emphasised the value of collaboration: diverse perspectives can open up thinking and spark ideas that lead to change.

Meeting stakeholders in person and discussing the issues that keep us all energised is always a useful and productive experience.

Our own improvement was a key focus in 2022–23 as we worked on the recommendations from the independent review of the BCCC.

These efforts will lead to better reporting from banks, more useful information for the industry and public and, ultimately, improvements that will ensure better outcomes for consumers.

I want to thank my fellow Committee members, Anne O'Donnell and Cat Newton, for their expertise and support throughout 2022–23. I would also like to thank the ABA, banks, consumer groups, and regulators for their support and productive working relationships.

The Board of the Australian Financial Complaints Authority (AFCA) and the CEO and Chief Ombudsman, David Locke, deserve special mention for their continued support.

Finally, I would like to thank the Code Team for their continued hard work and commitment. Our progress in 2022–23 was not possible without our dedicated staff.

Having been recently reappointed as Independent Chairperson for a second term, I am excited about the opportunity to further encourage banks to adopt better practices, address non-compliance and deliver quality outcomes for the millions that rely on the services of the banking industry.

**Ian Govey AM**  
Independent Chairperson  
Banking Code Compliance Committee

# Our year

## Inquiries



- **Management of deceased estates**  
Examining the good and bad practices of banks in managing deceased estates.
- **Small business workshop**  
Examining issues and solutions for financial difficulty among small businesses, with a detailed report due in early 2023–24.
- **Follow-up on the Guarantees**  
Examining the progress banks had made on practices for managing guarantees.
- **Follow-up on the Part 4 obligations**  
Examining the progress banks had made on practices for meeting obligations for inclusivity, accessibility and vulnerability.

## Data Reports



- **Industry data report 2020–21**  
A comprehensive look at industry data that provides insight into Code compliance with a range of obligations.
- **Compliance Statement reports**  
Reports that examine the data provided by banks in Compliance Statements for Jul–Dec 2021 and Jan–June 2022.

## Concerns



**98**

Concerns received

**79**

Concerns finalised

**4**

Investigations commenced

## Engagement



**154**

Participants at the BCCC Forum

**18**

Submissions received to 2023–24 priorities consultation, **up from 11 in 2021–22**

**6**

Submissions made to external consultations, **up from 2 in 2021–22**

# Our activities



### Deceased estates inquiry

In June 2023 we published [More work to do: A report on the management of deceased estates](#) – the report of our inquiry into compliance with obligations for estates of deceased customers (Chapter 45 of the Code).

#### Why we did this

Managing the affairs of a loved one who has passed away is difficult, and can be an extensive task weighed down by unnecessary administrative and procedural complexity.

When the Code was updated in 2019, it included new obligations for deceased estates. Findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in 2019 put a spotlight on banks charging ongoing financial advice fees without services being delivered, including to deceased estates.

We wanted to see how banks had improved management practices of deceased estates since the introduction of the obligations in the Code in 2019 and the effects they were having on people.

#### What we found

The inquiry identified many instances of poor management and representatives not being treated with respect or compassion. We found that banks:

- continued to incorrectly apply fees and charges to accounts for services after a customer's passing
- failed to act on instructions or requests for information within the obligatory 14 days
- failed to proactively communicate with representatives of deceased customers in the event of delays
- failed to identify financial issues faced by loved ones of deceased customers following the customer's death and provide support.

The failures were either caused or exacerbated by common underlying issues, such as:

- Poor design and implementation of the systems and processes for managing deceased estates
- Fragmented systems combined with inconsistent processes and approaches
- Inadequate monitoring and oversight of systems and processes
- Insufficient or ineffective training and guidance of staff

#### Key outcomes

Our report made nine recommendations for improvements.

The response from banks was positive and constructive. The six banks that participated in the inquiry accepted that they needed to improve in certain areas. We have seen progress made to address the issues revealed by the inquiry.

The wide mainstream media coverage the report received with a potential audience of 12.3 million, is testament to the level of community interest in these practices.

In 2024-25, we will examine the actions they have taken to address the findings and recommendations of this inquiry.

We have commenced investigations into three banks for the potential serious and systemic breaches of the Code. These investigations are ongoing.

## Follow-up on the Guarantees Inquiry

We followed up on [an inquiry of 2021 which examined compliance with the Code's guarantee obligations](#).

It was important that we examined the impact of our initial inquiry and continue to hold banks accountable for the promises and commitments they make to customers in the Code.

The Code's guarantee obligations are a crucial safeguard that help people to understand risks and make informed decisions when providing a guarantee.

Banks must provide key disclosure information to prospective guarantors, ensure a guarantee is signed and accepted in appropriate conditions, and take special care with potentially vulnerable individuals who guarantee a loan.

Our 2021 inquiry was prompted by unexplained inconsistencies in data over several years. These concerns were underscored by the evidence given at the Royal Commission that revealed unethical behaviour by banks towards guarantors.

The 2021 inquiry found that banks frequently failed to comply with obligations before and while taking a guarantee due to ineffective record management practices and inadequate monitoring of compliance controls.

An examination of data from the periods immediately before and after our 2021 report indicates that our initial inquiry may have led to a decrease in breaches of obligations related to guarantees.

We found a spike in reported breaches of guarantee obligations in the first half of 2021, possibly due to heightened awareness from our inquiry.

We also found a decline in reported breaches in the 2021–22 financial year, reflecting improvements after we published the original report in August 2021.

### What we did

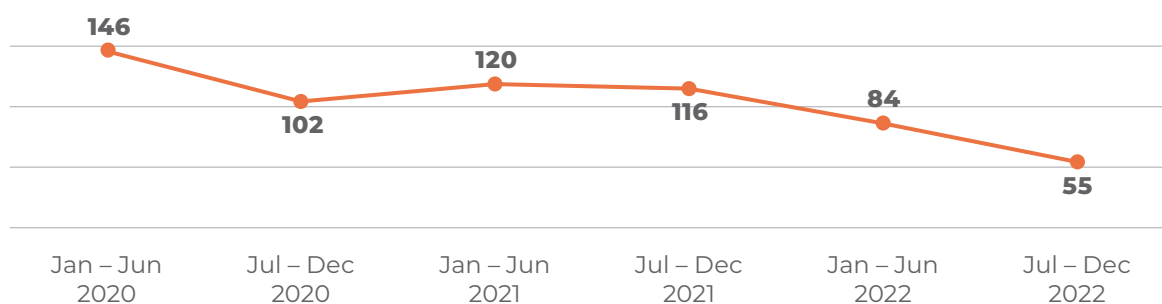
Our follow-up inquiry of 2022–23 assessed the progress that banks had made on the recommendations of the 2021 inquiry and the improvements they had made to their practices.

We also surveyed the public and key stakeholders on their experiences with guarantee processes to obtain insight from the customer's role in the process.

### What to expect

We will publish a report that presents the findings of the follow-up inquiry, as well as recommendations to help banks meet and exceed Code obligations and ensure their processes are fair and transparent. It will be published in early 2023–24.

### Self-reported breaches of Part 7 (Guaranteeing a loan)





## Small Business Workshop

We acknowledge the unique needs of small business and agribusiness customers and are committed to improving their banking experience.

Our Small Business and Agribusiness Advisory Panel (Advisory Panel) alerted us to concerns that small businesses and agribusinesses reach out to banks for assistance too late when they experience financial difficulty.

Banks had also highlighted to us that they wanted to understand the barriers that small business and agribusiness customers face to reaching out for assistance earlier.

### What we did

Recognising the potential in collaborating with banks and other stakeholders, we held a workshop in March 2023 to discuss the challenges faced by small business and agribusiness customers and identify possible solutions.

The workshop brought together members of our Advisory Panel and representatives from several banks and the ABA, as well as representatives from consumer groups and government bodies.

The workshop focused on:

- exploring the barriers for small business and agribusiness customers seeking assistance early
- identifying practical solutions that may connect small business and agribusiness customers with the right support and assistance earlier
- sharing examples of good practice.

### What to expect

In early 2023–24, we will publish a report providing an overview of the workshop and the practical steps that the industry can take to improve

engagement with small business and agribusiness customers on issues of financial difficulty.

This was our first facilitated workshop to an inquiry and we look to do more in the future.

## Follow-up to the inquiry on inclusivity, accessibility and vulnerability obligations

Part 4 of the Code has obligations that require banks to treat people fairly and ensure fair outcomes – crucial for customer wellbeing.

In 2022–23, we began work on a follow-up to the inquiry we conducted in 2021 on compliance with Part 4 of the Code.

Our 2021 inquiry into [Banks' compliance with Part 4 of the Banking Code: inclusivity, accessibility and vulnerability](#) made 29 recommendations for improved industry practice. We wanted to assess how banks responded to these recommendations and other work they undertook to improve compliance with this important section of the Code.

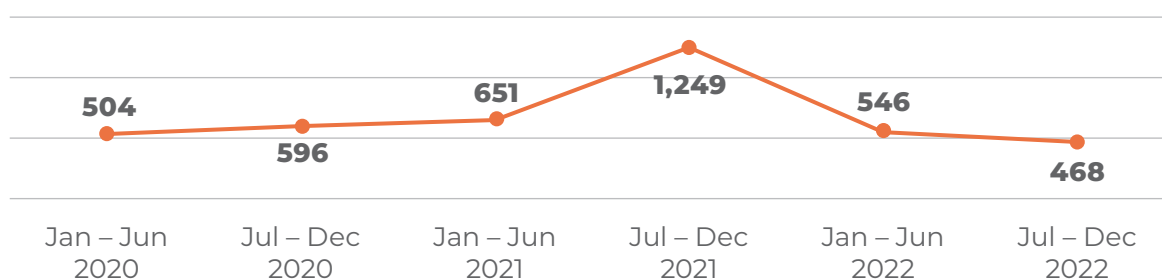
We have seen improvements in this area; since publishing the report in 2021, we noted a decrease in breaches of Part 4 of the Code, with a 56% decline in January – June 2022 and a further 14% decline in July – December 2022.

### What we did

In establishing the follow-up inquiry, we selected a small number of priority issues on which to focus.

To refine the focus, we invited feedback from, and engaged in strategy meetings with, key stakeholders. We received 18 responses that helped us scope the inquiry and outline the emerging issues that we may need to examine and address.

### Self-reported breaches of Part 4 (Inclusive and accessible banking)





## Bank@Post

**As banks continue to close branches, Bank@Post arrangements provide an alternative face-to-face banking service, especially for customers in regional and remote areas.**

The promises banks make in the Code extend to services they offer through other providers, such as Bank@Post. We began work on [reviewing the Bank@Post arrangements to ensure they comply with the Code](#).

While only a limited number of Code obligations are relevant to the banking services provided through Bank@Post, they provide critical protections for customers. The obligations cover staff competency, customer privacy, dealing with customer vulnerability, and inclusive and accessible banking services.

Customers who seek face-to-face banking, such as the services provided by Bank@Post, may be more likely to be experiencing vulnerability. We want to ensure the protections in the Code are in place when banks offer services through third parties.

### Work underway

We have engaged the ABA to ensure a coordinated approach to the review of Bank@Post arrangements.

The work will involve banks reviewing their compliance frameworks and implementing appropriate measures to ensure banking services offered through Bank@Post comply with the Code.

The ABA has agreed to provide us with a targeted workplan by end of 2023, and a final report in the second half of 2024.

We expect this approach will ensure an efficient and effective response and deliver better outcomes for banks and customers accessing banking services through Bank@Post.

## Investigations

Our Charter empowers us to investigate allegations of Code breaches as well as potential Code breaches identified through our monitoring activities. Our investigations examine whether a bank has complied with its Code obligations and if it needs to change its policies or processes.

We focus our monitoring on issues that present the greatest detriment to customers. We use our [Priority Monitoring Framework](#) to help us prioritise this work.

»» In 2022–23, we commenced four investigations.

## Regional branch closure

We commenced an investigation into the actions of one bank following the closure of a regional branch.

Our investigation was prompted by an allegation we received about the significant impact and challenges faced by the local community, including customers experiencing vulnerability.

The allegation highlighted the bank's lack of appropriate transition arrangements to support impacted customers, including concerns about the alternative banking channels and its preparedness to support the needs of the community during the transition.

Our investigation is ongoing and will assess whether the bank complied with the ABA Branch Closure Protocol as well as obligations in the Code to offer inclusive and accessible services and to take extra care with customers experiencing vulnerability.

## Management of deceased estates

Following our inquiry into the management of deceased estates, we commenced investigations into three banks for potential serious and systemic breaches of the Code.

These investigations are ongoing and focus on the banks' failure to:

- correctly identify and stop or refund certain fees after receiving notification of a customer's passing
- act on requests or instructions from eligible people within 14 days of receiving notification of a customer's passing.

In the investigations, we are examining non-compliance with the Code and the extent and impact of the failures, as well as the action the banks have taken to identify and remediate impacted customers and prevent recurrence of such incidents.

## Data reports

### Biannual Compliance Statement

Our compliance monitoring work includes biannual data collection, analysis and publication of Compliance Statement reports.

The Compliance Statement reports are important elements of our monitoring work and serve several benefits for the industry and customers. The reports:

- show whether banks have systems and processes to monitor compliance with the Code
- support our monitoring work by presenting essential information about compliance with the Code
- provide timely and meaningful insights that help banks improve practices and deliver better outcomes for customers
- bring transparency for the community about banks' compliance with the Code.

In 2022–23, we published two Compliance Statement reports:

- [Compliance with the Banking Code of Practice – July to December 2021](#)  
(Published September 2022)
- [Compliance with the Banking Code of Practice January – June 2022](#)  
(Published February 2023)

### Improvements in our reports

With the help of a new data analyst, we improved our timeliness for analysing the data for the January to June 2022 period.

We provided a summary report with early insights to banks within 68 business days of receiving their information and then published the final report within 122 business days.

The quality of the reports was better with more effective use of graphics to present information in an appealing way. They also highlighted certain practices and examples more effectively with dedicated sections, and these will be a better way to help banks identify issues and make improvements. These sections also allow us to keep a watching brief to inform future monitoring activities.

## Number of breaches analysed in 2022–23

July to  
December  
2021

**24,467**  
breaches  
in total

**35%**  
breaches  
subject to further  
analysis

January  
to June  
2022

**15,098**  
breaches  
in total

**50%**  
breaches  
subject to further  
analysis

## Industry Data Report

In November 2022, we published our [2020–21 Industry Data Report](#), which presented an overview of the operations and compliance activities of banks in 2020–21.

Based on the responses to 61 qualitative and quantitative questions on financial difficulty, responsible lending, complaints, and monitoring activities, the report offered comparative analyses and meaningful insights into banks' operations and compliance.

The report offers readers a view of operations not seen before and provides banks with an opportunity to learn and improve processes, which will lead to better practices.

This was the first time we requested the full tranche of data from banks since reducing the requirements in 2020 due to the effects of the COVID-19 pandemic.

The socioeconomic uncertainties caused by COVID-19 in 2020–21 gave the findings from our report greater significance. The findings assisted stakeholders to identify current and emerging issues of concern and encourage improvements in crucial areas.

We will make changes to the way we collect data as part of our project to implement the recommendations from the independent review of the BCCC. Until we develop our new approach, we will not collect the full tranche of data in the way we have previously collected.

## Guidance Note 1: Breach Identification and Reporting

In September 2022, we updated our [Guidance Note 1: Breach Identification and Reporting](#).

The update reflects that we no longer require banks to report non-compliance with the Code that constitutes a breach of financial services laws and has been reported to the Australian Securities and Investments Commission (ASIC).

Despite this change, banks must continue to report these breaches as part of the biannual Compliance Statement program.

# Our engagement



## Forum 2022: Keeping Customers at the Core

**In October 2022, we held a forum which brought together industry professionals, peak bodies, regulatory bodies and consumer groups to share insights and focus on delivering improved outcomes for customers.**

Themed 'Keeping Customers at the Core', the forum was held at the Commonwealth Bank of Australia's Sydney office and streamed live for a large online audience. We had participation from over 154 attendees both in person and online.

The forum featured a range of thought-provoking speakers, two insightful panel discussions and important updates on our work.

The range of speakers provided vast expertise to discuss a variety of important issues and take away valuable lessons.

The panel session on accessibility and vulnerability provided insights into current priorities and trending concerns, including:

- the challenges and needs of individuals who are incarcerated
- access to interpreters for vulnerable customers
- scams and the need to upgrade systems, products and services to protect customers
- the importance of proper governance and quality assurance in banks.

The panel session on small business and agribusiness raised crucial issues and explored better practices to assist these customers. The discussion featured:

- the benefits of customers having access to a specialist relationship manager
- the need to communicate with customers with respect and empathy
- the importance of mediation before formal enforcement processes on debts.

The day delivered perspectives and key insights on improving compliance programs and addressing emerging risks that will assist banks deliver better outcomes for customers.

Positive feedback was received from attendees who appreciated the topics that we covered and how they were presented.

## Small Business and Agribusiness Advisory Panel

The Advisory Panel, comprising five members, provides us with expert insight and advice on small business and agribusiness matters, including:

- the experiences and needs of small business and agribusiness customers when dealing with banks
- the effects of policies, procedures and processes on small business and agribusiness customers
- the impact of regulatory and legislative changes on the small business and agribusiness community.

In 2022–23, the Advisory Panel attended:

- three Committee meetings
- four Secretariat meetings
- the Small Business Workshop
- our forum.

The Advisory Panel was instrumental to the success of our Small Business Workshop. We drew on their expertise in deciding the areas to focus on for the greatest impact.

Mr Ross Leggett, Mr Gary Goldberg and Mr Denis McMahon participated in the Workshop. Mr Leggett presented on challenges facing small businesses in the current economic climate.

The Advisory Panel also advised us on the effect of increasing branch closures on small businesses. These insights were valuable in helping us produce quality submissions to the Senate Inquiry on bank closures in regional Australia and the ABA's consultation on the Branch Closure Support Protocol.

Our response to the ABA's consultation on the new Code relied on the valuable contributions of the Advisory Panel. We consulted with the Advisory Panel and incorporated their feedback which helped ensure our response was comprehensive and well rounded.

## Stakeholder engagement

Active engagement with our stakeholders in 2022–23 remained a cornerstone of our efforts to stay informed, adapt to industry changes, and ensure we achieve our goals.

Throughout 2022–23, we fostered valuable connections with a diverse range of stakeholders, including the ABA, banks, ASIC, AUSTRAC, AFCA, and consumer groups.

We continued to have a strong relationship with the ABA. We hold regular monthly meetings and value the ABA's contributions and insights on banking practices and Code issues.

The ABA attended our forum in October 2022, joined our strategy meeting in February 2023, and contributed to our priorities consultation.

Our regular engagement with banks continued throughout 2022–23. This is a crucial element in our monitoring role as it helps us foster collaborative relationships, address emerging issues we identify and gain insights from industry practices.

Engaging with consumer groups is vital for a complete view of the industry. In 2022-23, consumer group representatives attended our strategy meeting as well as our forum and provided ongoing input and engagement throughout the year. Their perspectives helped us identify areas of risk and current issues to incorporate into our monitoring activities.

We also attended seven conferences and events to stay across industry developments.

### Number of meetings in 2022–23





## Submissions to industry consultation

In 2022–23, we made six submissions to inquiries, reviews or other consultations.

» Through our submissions, we aim to shape the outcomes and decisions that affect the Code and its stakeholders, as well as promote better practices in the banking industry.

## ABA consultation: amendments to the Code

The [independent review of the Code in 2021](#) made 116 recommendations to enhance and strengthen the Code.

On 6 December 2022, the ABA, as the owner of the Code, [responded to the recommendations of the independent review](#) and commenced work on amending the Code.

We drew on the expertise of consumer groups and our Small Business and Agribusiness Advisory Panel, as well as intelligence from our past inquiries, concerns reported to us and our Priority Monitoring Framework in providing a comprehensive submission to the ABA's consultation on proposed amendments to the Code.

Our submission focused on:

- maintaining existing customer protections
- ensuring obligations remain enforceable
- strengthening certain obligations to achieve the objectives of the recommendations
- ensuring our power to monitor existing obligations is not restricted
- ensuring changes are customer friendly.

We will continue to engage with the ABA and stakeholders as part of the amendments to the Code and share our insights to support a strengthened Code.

## ABA consultation: Branch Closure Support Protocol

In April 2023, as part of its review to address the recommendations from the [Regional Banking Taskforce – Final Report](#), the ABA consulted on its draft Branch Closure Support Protocol.

We play a key role in monitoring compliance with the Protocol because it is a requirement under Chapter 7 of the Code when a bank closes a branch.

Our submission focused on:

- ensuring transparency in determining exemptions to the Protocol
- raising awareness and promoting the Code
- providing notice to customers in all circumstances of branch closures
- supporting transitions and ensuring suitability of alternative banking channels
- addressing gaps in banking practices, particularly with small businesses and customers experiencing vulnerability.

## Senate Inquiry: bank closures in regional Australia

In February 2023, the Senate Standing Committees on Rural and Regional Affairs and Transport commenced an inquiry into bank closures in regional Australia and called for submissions from interested parties to comment on the effect of these closures.

The Code has obligations relevant to branch closures that provide important protections to customers, particularly people experiencing vulnerability or in remote communities.

[Our submission to the Senate](#) raised the following points:

- The ABA's Branch Closure Protocol should remain an enforceable obligation in the Code.
- The Protocol should be updated to address gaps.
- When considering the provision of alternative banking channels, banks should consult with the affected community to understand its needs
- Each alternative banking channel should be accessible.
- Banks must have adequate oversight, systems and processes to comply with the Code for services they offer through other providers, such as Bank@Post.

## Treasury consultation: regulating buy now, pay later in Australia

In November 2022, Treasury sought feedback on the regulatory framework for buy now, pay later (BNPL) arrangements under the National Consumer Credit Protection Act 2009 (the Credit Act).

The Code provides important protections for customers in their dealing with banks, and we know that gaps in the consumer credit regulatory framework can cause significant long-term harm to customers.

[Our submission to Treasury](#) emphasised the importance of regulatory intervention to protect customers, raising the following points:

- The unintentional regulatory gap for BNPL products under the Credit Act deprives customers of responsible lending protections.
- The current economic climate may see customers use BNPL products as alternative forms of credit, exacerbating risks of increased indebtedness.
- There is a need for legislated safeguards in the consumer protection framework.

## AUSTRAC consultation: providing financial services to higher-risk customers

In November 2022, AUSTRAC consulted on its draft guidance to help financial institutions understand its expectations when they provide services to businesses in higher-risk sectors.

The principles of the draft guidance broadly aligned with obligations in the Code, including the obligation to engage in a fair, reasonable and ethical manner (paragraph 10) and the obligations when closing an account (paragraph 143).

This is a serious issue, particularly for small businesses affected by de-banking, and we consulted with our Small Business and Agribusiness Advisory Panel on our submission.

We raised the following points:

- The guidance should include scenario-based examples to show practical applications.
- Financial institutions should be encouraged to adopt a tailored approach, considering the circumstances of each customer.
- We support the recommendation that financial institutions develop standard templates and processes for engaging with businesses in high-risk sectors to promote consistent and accurate information.

We are pleased that our suggestion to include scenario-based examples was adopted and incorporated into [AUSTRAC's guidance published in June 2023](#).

This addition enhances clarity and practical application for businesses operating in higher-risk sectors, facilitating better compliance and understanding.

## AUSTRAC consultation: assisting customers without conventional ID

In June 2022, AUSTRAC consulted on its draft guidance for assisting customers who do not have conventional identification.

We welcomed AUSTRAC's draft guidance as it aligned with the obligations in Part 4 of the Code and contributed to more inclusive and accessible banking outcomes for customers.

Our submission raised the following points:

- There was inconsistent adoption of previous AUSTRAC guidance.
- Banks should expand their lists of acceptable referees to reduce the barriers faced by Indigenous customers.
- Bank staff should be trained to understand the practical application of processes for identifying customers without conventional documentation.
- Banks should broaden their consideration of inclusivity and accessibility in banking services to include groups such as prisoners and former prisoners, victims of recent significant events, and transgender and gender diverse people.
- Banks should publish information about alternative forms of identification.

We also suggested other examples for the list of alternative identification options.

## Consultation on our priorities

In December 2022, we consulted with stakeholders to gather input on our priorities for the 2023–24 year.

This process is important as it allows us to involve banks, consumer groups and other interested groups in shaping our priorities for the year ahead.

We asked stakeholders to identify current or emerging issues for the industry and to provide specific recommendations or areas of focus for our follow-up to our inquiry into compliance with Part 4 of the Code.

» We received a total of 18 submissions, up from 11 last year, including submissions from some banks.

The main themes were:

- Issuing basic accounts to eligible customers
- Enhancing staff training and support, especially for interactions with customers experiencing vulnerability
- Consistency in dealing with customers experiencing vulnerability
- Implementing the recommendations in AUSTRAC's guidance for people without standard forms of identification
- Financial difficulty due to the current economic conditions

The submissions offered valuable insights from diverse viewpoints, helping us to establish timely and relevant priorities for the year ahead.

# Continued focus on improvement

» In 2019–2021, we underwent [a comprehensive independent review](#) which produced 19 recommendations for improvements.

Ten of the recommendations are solely within our remit, while the other nine are with the ABA as they require a change to the Code or BCCC Charter.

Implementing the recommendations is leading to changes in the way we conduct our work and strengthening our support for better practices and customer outcomes.

The [BCCC Review Implementation](#) and [BCCC Review Dashboard](#) on our website keeps stakeholders up to date on the status and timeframes for each project, and a snapshot of the work involved.

## Compliance Statement improvements

In 2022–23, we focused on improving our biannual Compliance Statement program and transforming our data capabilities.

This is an opportunity to modernise our systems and improve the way we collect, analyse and report on breach data.

It will enhance efficiency and provide better insights into risk areas.

The project has two phases:

- **Phase 1** – Compliance Statement Settings
- **Phase 2** – Data and Analytics Roadmap

We held a workshop with the ABA and some member banks to understand the challenges with the current breach reporting framework and to identify areas that would provide the most value to the banks.

We also analysed our data and developed a consultation paper outlining proposals to enhance the breach reporting framework, focusing on more targeted reporting and extracting meaningful insights for banks to improve practices and deliver better outcomes for customers.

In 2022–23, we made significant progress on Phase 1 of the project, including:

- Revising the purpose of our biannual Compliance Statement program to inform our data collection
- Working with industry to introduce materiality thresholds for breach reporting
- Aligning our data classification categories with ASIC’s breach reporting requirements
- Finalising criteria for benchmarking to provide meaningful comparisons between banks

Our efforts were guided by close engagement with the Australian Prudential Regulation Authority (APRA), ASIC, ABA, AFCA, and banks.

The engagement provided us with a better understanding of:

- data collection and breach reporting processes for banks
- how banks apply ASIC and other reporting thresholds
- advantages and disadvantages of greater alignment with the ASIC breach reporting categories
- how ASIC and banks adopt benchmarks for reporting
- challenges ASIC and banks face in classifying and curating data.

Our engagement with the banks helped us better understand the practical implications of changes to the Compliance Statement. We will use this understanding to facilitate a smooth transition and will continue our engagement through implementation in 2023–24.

Under Phase 2, we will develop a Data and Analytics Roadmap to modernise and streamline the way we collect, analyse and report data. The roadmap will include our ongoing work to establish information-sharing with ASIC and APRA. We will consult the ABA and banks to ensure we fully consider the needs of banks.

## Inquiries process

In line with the [recommendations 3 and 12](#) of the review into our operations, we made significant progress on improving our inquiry process during 2022–23.

Our objectives were to:

- implement a consistent, standardised process for conducting inquiries
- establish a transparent approach for requesting, analysing and managing information from banks and for our own reporting
- publish our inquiry reports in a timely manner and ensure they add value to the pursuit of compliance with the Code.

To optimise our inquiry process, we engaged external expertise and held a facilitated workshop with banks. We identified areas for improvement and refined our inquiry process which will help us scope and conduct future inquiries with a sharper focus.

# Looking ahead

» Looking ahead to the coming year, we will focus on:

- Follow-up inquiry into inclusivity, accessibility and vulnerability obligations
- Inquiry into financial difficulties
- Ongoing implementation of BCCC review recommendations

We will also finalise the following reports due for publication:

- Follow-up on the Guarantees Inquiry
- Small Business Workshop

## Proposed transition to the new Code

We will continue to work closely with the ABA, regulators, banks and consumer groups to ensure the proposed amendments to the Code reflect high standards, address the recommendations from the independent review of the Code, promote responsible banking practices and serve the communities' interests.

To support the new Code, the ABA is proposing to amend our Charter and we look forward to providing input on these amendments.

## Transforming our data capabilities

Implementing the recommendations from the [Independent Review of our operations](#) remains a top priority for 2023–24.

A key focus area is enhancing our biannual Compliance Statement program and transforming our data capabilities.

This presents an opportunity for us to modernise our systems, which will allow us to effectively collect, analyse, and report on breach data in a meaningful and timely manner.

It will offer several benefits:

- Streamlined and consistent breach reporting for banks by introducing materiality thresholds, agreed benchmarks, and clear guidance
- Simplified submissions for banks, which will provide clean and consistent data
- Improved data analytics, which will reduce the need for extensive manual data cleaning and analyses
- Reduced duplicated reporting and improved risk insights by obtaining data from other agencies or public sources

This is a long-term initiative which we will approach in phases, implementing changes as each phase concludes. We will keep our stakeholders updated on progress.



## Inquiry into financial difficulty

We plan to conduct an inquiry into financial difficulty which is on the rise and becoming an increasing concern.

Chapters 39–41 of the Code impose obligations on banks to assist customers who are experiencing financial difficulty.

It is imperative banks are prepared to support an increasing number of customers who may face financial difficulty with effective and sustainable solutions.

Our decision to focus on this issue is driven by several factors:

- Our Industry Data Report revealed inadequate proactive identification of customers facing financial difficulty.
- Submissions we received during our priorities consultation highlighted the effect of rising interest rates on financial difficulty.
- Media reports and industry analyses emphasised the effects of increasing challenges on loan affordability.
- Our Small Business and Agribusiness Advisory Panel highlighted hardship requests and the end of COVID-19 deferral arrangements.
- Banks anticipating the expiration of fixed-rate loans will exacerbate financial difficulty.

We will commence the inquiry in the third quarter of 2023–24. This will coincide with the end of the fixed-rate loan period for many customers who obtained home loans during the peak of the COVID-19 pandemic.

While we will refine the scope of the inquiry through stakeholder consultation, it will also examine:

- the way banks proactively identify customers in financial difficulty
- long-term sustainable solutions in the current economic climate
- obligations related to offering basic, low or no fee accounts.

# About us

## Our role

The Code is an industry code that was developed and is owned by the ABA.

The Code sets out the banking industry's commitments to individual and small business customers and their guarantors. The ABA website provides [a list of the banks that have adopted the Code](#).

We are an independent body established under paragraph 207 of the Code. Our purpose is to monitor banks' compliance with obligations under the Code and encourage practices that lead to better outcomes for customers.

Our role, functions and powers are set out in [our Charter](#).

## The Committee

The Committee has three members:

- An Independent Chairperson, appointed jointly by the ABA and AFCA
- A banking representative, appointed by the ABA
- A consumer representative, appointed by the AFCA Board's consumer representatives

» In 2022–23, the Committee met on nine occasions.



## Mr Ian Govey AM Independent Chairperson

Since 17 February 2020  
Term ends 16 February 2026  
(2nd term)

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 2010. His work in the Attorney-General's Department and The Treasury focused significantly on commercial law reform, including the Corporations Act 2001.

Ian's former roles include membership of the National Alternative Dispute Resolution Advisory Council and representing Australia as a delegate at international forums.

Ian was awarded an AM (member of the Order of Australia in the General Division) in the Australian Honours in 2015 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 Adelaide University and in Economics from the Australian National University.

Other roles:

- Chair of Federal Court of Australia Audit Committee
- Deputy Chair of ACT Community Services Directorate Audit Committee
- Director of Australian Centre for International Commercial Arbitration
- Director of Australasian Legal information Institute
- Leading the review of the ACT's Integrity Commission Act 2018



## Ms Anne O'Donnell

### Industry Representative

Since 27 October 2018  
Term ends 26 October 2024  
(2nd term)

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

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 Master of Business Administration and a Bachelor of Arts, Banking and Finance.

Other roles:

- Director of Agricultural Innovation Australia Ltd
- Director of Motor Trades Association of Australia Superannuation Fund Pty Ltd
- Director of The Winston Churchill Memorial Trust
- Chair of ACT Long Service Leave Authority
- Member of the National Capital Authority Audit Committee
- Member of UBS Global Asset Management (Australia) Ltd Compliance Committee
- Senior Fellow at Financial Services Institute of Australasia (FINSIA)
- Fellow at the Australian Institute of Company Directors (AICD)



## Ms Cat Newton

### Consumer Representative

Since 11 May 2021  
Term ends 10 May 2024  
(1st term)

Cat is an experienced consumer advocate. Cat's advocacy is informed by her experience working with and for people impacted by misconduct, and in collaboration with other consumer advocates, to achieve fairer outcomes and improve practices in the banking and financial services sector.

Prior to her current role as Assistant Director – Insurance Monitoring at the ACCC, Cat worked at Consumer Action Law Centre (CALC), an independent, not-for-profit consumer organisation that provides free legal and financial counselling services.

Cat joined CALC in 2015 as a lawyer, providing legal services directly to consumers on credit, debt, and consumer law matters, and providing secondary legal assistance and training to assist other community workers who advocate for banking customers. Later as Assistant Director of Policy and Campaigns at CALC, Cat led law reform campaigns across banking and financial services, including implementation of the Financial Services Royal Commission reforms.

Cat has represented consumer interests on the ASIC Consumer Consultative Panel, Insurance Council of Australia Consumer Advisory Committee, TAL Consumer Consultation Board, and Super Consumers Australia Policy Reference Committee.

## Small Business and Agribusiness Advisory Panel

### Mr Denis McMahon

Panel Member since 1 February 2020

Term ends 12 February 2025

Denis is the Senior Solicitor for the Farm & Rural Legal Service, part of Civil Justice Services at Legal Aid Queensland, where he joined in 2003.

Denis provides assistance to farmers and primary producers experiencing financial hardship related to their business, including people with severe debt problems or in dispute with their lenders. Farm debt mediation is now a large part of this work.

Denis was admitted as a solicitor in Queensland in 1979 and has worked as a partner in law firms in regional Queensland, while being actively involved in maintaining the family farm.

He became a mediator in 1992, completing the course at Bond University.

### Ms Alexandra Hordern

Panel Member since 16 March 2020

Term ends 15 September 2023

Alexandra is the General Manager, Regulatory and Policy, at the Insurance Council of Australia. Prior to that, Alexandra held the role of Director, Policy and Advocacy at the Australian Small Business and Family Enterprise Ombudsman.

Alexandra has worked in various public policy roles, in both the private and public sectors with a focus on supporting business outcomes.

### Mr Ross Leggett

Panel Member since 14 July 2022

Term ends 13 July 2025

Ross is the Chief Executive Officer of the Rural and Small Business Financial Counselling Service, Southern Queensland. He leads the delivery of financial counselling support to people in rural areas and small business owners who are experiencing, or at risk of experiencing, financial hardship.

Ross commenced his career in the banking industry before moving into non-bank finance and then the Queensland Government to deliver financial assistance programs. Throughout his career, Ross has focused his efforts on the agricultural and small business sectors – industries about which he is most passionate.

Outside of work, Ross runs a small cattle enterprise in the South Burnett region of Queensland.

Ross holds a Bachelor of Agricultural and Resource Economics (Hons) and an Executive Master of Public Administration and has also completed the Australian Institute of Company Directors course.

### Ms Helen Davis

Panel Member since 14 July 2022

Term ends 13 July 2025

Helen is General Manager of the Small Business Debt Helpline, operated by Financial Counselling Australia. The Helpline provides financial counselling support to small business owners experiencing financial difficulty.

Helen is an experienced executive with a strong track record of delivering product and service improvements, leading significant organisation growth and navigating changing legislative and competitive landscapes.

Prior to joining the Small Business Debt Helpline, Helen was Chairperson of the Superannuation Complaints Tribunal. Helen has a background in accounting and superannuation and has worked in private, public and not-for-profit organisations.

### Mr Gary Goldberg

Panel Member since 14 July 2022

Term ends 13 July 2023

Gary is The Chief Executive Officer of The Rural Financial Counselling Service (NSW Northern Region) since 2016. The Rural Financial Counselling Service manages two programs funded by the Australian Commonwealth and the NSW Government that provide financial counselling to primary producers and regional small businesses at risk of financial hardship.

Gary's experience as a member of CPA Australia, a graduate of the Australian Institute of Company Directors, and more than 40 years' experience in agribusiness and small and medium-sized enterprises in South Africa, Papua New Guinea, and Australia, has placed him in a position where he would like to give back to the community.

## The Code Team

The Code Team provides monitoring, administrative and support services to us as a Committee.

It is a separately funded and operated business unit of AFCA, with its services funded by the banks that subscribe to the Code.

The Code Team is comprised of a General Manager, a Deputy General Manager, a Senior Manager, 10 Analysts and a Data Analyst.



**Ms Prue Monument**  
General Manager

Prue Monument has extensive regulatory experience and a strong focus on improving practices and public benefit.

Prior to joining AFCA, Prue was the Executive Director of Regulatory Operations at Australia's higher education regulator, the Tertiary Education Quality and Standards Agency (TEQSA). She was previously Director of Compliance at the Australian Charities and Not-for-profits Commission (ACNC). This included responsibility for the ACNC's Compliance directorate focused on identifying and investigating abuse and mismanagement in Australia's charity sector and helping charities build their governance capabilities.

She has also held senior roles in the Department of Immigration and Border Protection, including as the National Manager of the Allegations Assessment Team and overseas postings in Shanghai and Beirut focused on program integrity, compliance, and fraud prevention.

Prue is the Deputy Chair of Free From Family Violence (FVREE) a lead specialist family violence service for women and children.

Prue holds an Executive Master of Public Administration.



## **Mr René van de Rijdt**

**Deputy General Manager**

René's role includes supporting the General Manager in providing leadership, strategic direction and operational management of the Code Team, ensuring delivery of its compliance and monitoring obligations.

René has worked in the Code Team since 2017 as the Code Compliance Investigations Manager, and Acting General Manager in 2021, and at AFCA and its predecessor schemes since 2011.

René has a background in law and external dispute resolution and holds a Bachelor of Law from Monash University and a Bachelor of Planning and Design from the University of Melbourne.

He maintains good relationships with regulators, industry and consumer groups. René is passionate about providing positive consumer outcomes and ensuring continuous improvement in the financial services industry.



## **Ms Jillian Pritchard**

**Senior Manager**

Jillian has extensive compliance monitoring and regulatory experience, having worked across state and federal government for over 14 years. Her career has had a strong focus on promoting improved compliance through engagement, education and guidance.

Jillian joined the Code Team as the Senior Manager of Banking in 2022, having previously worked at the Tertiary Education Quality and Standards Agency where she was the Acting Director of the Risk and Compliance Group.

# Finances

	30 June 2022	30 June 2023
<b>Funding</b>		
Funding received from the ABA	\$1,890,161	\$2,003,571
Funds drawn from BCCC's operating reserve	\$150,000	\$270,727
<b>Total Funding</b>	<b>\$2,040,161</b>	<b>\$ 2,274,298</b>
<b>Operating expenses</b>		
Salaries, superannuation, committee remuneration, workcover, staff training and amenities	\$1,381,745	\$1,930,006
Communications, stakeholder relations and travel	\$12,547	\$95,661
Professional assistance	\$141,786 <sup>1</sup>	\$53,781
Occupancy costs	\$103,984	\$143,412
Technology costs	\$64,388	\$82,778
Office costs	\$8,171	\$11,530
<b>Total Operating Expenses</b>	<b>\$1,712,621</b>	<b>\$2,317,168</b>
<b>Surplus/(Deficit)</b>	<b>\$327,540</b>	<b>(\$42,870)<sup>2</sup></b>

1 Includes expenses used for the Independent Review of the BCCC.

2 The deficit of \$42,870 was due to additional staff resourcing and expertise to assist with important, strategic initiatives while also delivering on our business plan. The BCCC used its operating reserve to fund the deficit.



# Contact us

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

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