

# ISSUE 6

June 2011

News from the CCC



# Accomplish

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### Committee members:

- Jeff Whalan  
(independent  
Chair)
- Patricia Langham  
(industry  
representative)
- Prof. Gail Pearson  
(consumer  
representative)

### ACS 2011

### Visibility & Access review – follow up

## A message from the Code Compliance Committee

At its second meeting this year, the Code Compliance Committee (CCC) approved its proposed Code compliance monitoring activities and projects for the next twelve (12) months. Accordingly, a copy of its Annual Work plan for 2011/12 has now been sent to the Mutual Banking Code of Practice Committee Association and Abacus.

The 2011 Annual Compliance Statement (ACS) has now been sent to all Code subscribing Mutuals. Once collected, the ACS data (and information from subsequent onsite verification visits) will provide the CCC with a better understanding of compliance levels among Mutuals generally and specifically in relation to the obligations under the Mutual Banking Code of Practice (the Code) regarding breach monitoring and reporting, training and guarantees. It will also help us assess the extent to which extent Mutuals have implemented the compliance recommendations in our previous reports.

The CCC was pleased with the outcome of its follow up review of the web-based information available to Mutual members about the Code, internal dispute resolution and external dispute resolution processes. In particular we are pleased to see that sixty-three per cent (63%) of websites are now fully compliant in comparison to twenty-three per cent (23%) in the May 2010 report (see below for more details).



Loan Guarantors

As part of its investigative functions, the CCC will be looking at Mutuals' compliance with Code obligations regarding 'Safeguards for loan guarantors' (Part B, section 12 of the Code). The CCC will conduct research across the industry and prepare a compliance review regarding these requirements.

Executive Manager Damian Paull has resigned.

We regret to advise that our inaugural Executive Manager (EM), Damian Paull, has resigned to take up the role of Chief Executive Officer of the Australian Retail Credit Association ([ARCA](#)). We would like to thank Damian for his valuable work - he played a vital role in identifying and establishing the role of the CCC. We all wish him well for the future.

Next CCC meeting dates (2011):

- 22 August
- 24 October
- 21 November

Until the appointment of a new EM, Ralph Haller-Trost, current Investigations Manager of the CCC, will be the Acting Executive Manager.

[Click here to contact CCC via email.](#)

As always, the CCC would like to emphasize that its role includes providing guidance and training to Mutuals on Code compliance and that it aims to be pro-active in working with Mutuals to establish and implement best business practices in the compliance field. In that regard, if you have any questions about the Code, the ACS or the CCC, please do not hesitate to ask.

**Jeff Whalan, Chair**

## **A message from the Acting Executive Manager**

ACS 2011 has been sent out and is due 30 September 2011.

In consultation with a number of Code subscribers, we completed the development of our ACS document for the period 1 July 2010 to 30 June 2011. The feedback and suggestions we received was an important part of settling the questions and design of this year's document and we would like to thank the group for its valuable input into this process.

The ACS document has now been forwarded to all Mutual Code subscribers. It needs to be completed and returned to us by **30 September 2011**.

Good industry practice – identifying what works

Before that date, members of our team will be visiting various Mutuals to obtain a better understanding of individual businesses and to provide an overview of our Code monitoring activities.

This year we will also be on the lookout for examples of good industry practice regarding Code compliance. We will have a special emphasis on 'Responsible lending practices' (Part B, section 6 of the Code) and 'Financial difficulty' (Part B, section 24 of the Code). We plan to use these examples when assisting Code subscribers in meeting their Code obligations and to provide guidance to the industry generally on 'what works'.

Compliance Analyst Sarah Manos on 12 months leave.

Our Compliance Analyst, Sarah Manos, has taken twelve months leave and we are currently recruiting a suitable replacement for that period. We would like to thank Sarah for her valuable work in putting together our initial compliance analysis program.



Finally, remember that we are here to help. If you have any questions at all, please feel free to contact me or a member of our team.

**Ralph Haller-Trost, Acting Executive Manager**

## Current Projects

### Follow up review – Access and Visibility Report

In May 2010 we published our [Visibility and Access report](#) which reviewed the web-based information available to Mutual members about the Code, internal dispute resolution (IDR) and external dispute resolution (EDR).

The term access in the context of the Code and dispute resolution generally relates to the time and effort involved, ease and convenience to obtain relevant information. Good access promotes a positive impact on members' loyalty and satisfaction (see also p. 11, May 2010 report).

In that regard, and following the release of the 2010 report, the CCC provided various recommendations to Mutuals seeking to improve member awareness and access to Code, IDR and EDR information. These recommendations were also incorporated into the ACS 2011 for follow up assessment.

During March/April 2011 we conducted a follow up review of the same websites we reviewed in 2010. The CCC is pleased with the overall improvements:

- Sixty-three per cent (63%) of websites are now fully compliant in comparison to twenty-three per cent (23%) in the May 2010 report (p.6, 2010 report).
- Code information could be accessed on ninety-seven per cent (97%) of websites in comparison to sixty-six (66%) in the May 2010 report (p.21, 2010 report).
- IDR information including specific IDR process details and explanatory notes could be accessed on ninety per cent (98%) of websites in comparison to sixty-one (61%) in the May 2010 report (p.28, 2010 report).
- EDR information could be accessed on ninety-three per cent (93%) of websites in comparison to seventy-seven (77%) in the May 2010 report (p.30, 2010 report).

However the accessibility of Code, IDR and EDR information still appears to require improvement:

- Thirty-six per cent (36%) of websites still needed more than two (2) clicks to access Code information.

### Visibility and Access

63% of websites now fully compliant

97% of websites have Code information

98% of websites have satisfactory IDR information

93% of websites have EDR information.

However, accessibility of Code, IDR and EDR information still needs improvement.



**ACS 2011 has been sent out and is due 30 September 2011.**

For ACS queries please email [info@codecompliance.org.au](mailto:info@codecompliance.org.au)

**Future Projects:**

- Verification process ACS 2011
- Ongoing visits to Mutuals
- Review Mutuals' consideration of recommendations issued by CCC

- Twenty-six per cent (26%) of websites still needed more than two (2) clicks to access IDR information.
- Forty-seven per cent (47%) of websites did not include a direct link to the relevant EDR scheme.

**The Annual Compliance Statement (ACS) 2011**

The ACS is a self-assessment tool to review a Mutual's compliance with the Code. Collectively, the responses to the ACS program provide the CCC with a clear picture of the extent to which Code subscribing Mutuals are implementing their obligations under the Code.

The ACS 2011 includes five (5) different sections:

- I. General details of Compliance and Remediation regarding
  - documented information provided to Mutual members, and
  - effective policies and procedures in place for Mutual staff
- II. Compliance with Monitoring and Reporting obligations
- III. Compliance with obligations for Guarantees (Part D, sect. 12)
- IV. Your response to CCC feedback regarding
  - [Visibility and Access Report](#)
  - [Direct Debit Report](#)
  - [Report on Compliance with Part B of the Code](#)
- V. Survey (your feedback regarding work undertaken and services provided by the CCC).

The completed ACS should be returned by **30 September 2011** as required by clause E18 of the Code.

**Future Projects**

**Monitoring**

We will:

- continue to consult with the industry, with particular emphasis on our review of the ACS 2011,
- focus on breach management and assessment of breach registers, and
- address individual concerns with Mutuals as and when they arise through the ACS process.

**Investigating**

We will:

- continue to review information received regarding potential Code breaches and/or systemic issues,
- review the extent to which Mutuals have incorporated the CCC's recommendations regarding visibility and access of Code, IDR and EDR information on their websites,
- review the extent to which Mutuals have considered the CCC's recommendations regarding incorporation of the Code into the written terms and conditions of those products and facilities to



- Compliance review on guarantee requirements of the Code
- Develop ongoing communication plan

- which the Code applies (as required under part B of the Code),
- review the extent to which Mutuels have considered the CCC's recommendations regarding stopping direct debit and recurring payment arrangements (as required under part C, section 20. Of the Code), and
- review the extent to which Mutuels comply with the requirements under part C, section 12.3 of the Code - no unlimited liability).

### **Influencing**

We will:

- publish our bulletin Accomplish and post regular updates and the results of our investigations on the CCC's website,
- publish the CCC's Annual Report,
- maintain and develop the CCC's engagement with key stakeholders,
- consult with industry regarding areas arising in the ACS which may need improvement,
- consult with industry regarding best practice guidelines and implementation of written policies and procedures, and
- continue the CCC's information sharing visits to Mutuels.

## **Contacting the CCC**

### **If you have a complaint**

If you believe a Mutual has breached the Code (and that Mutual has subscribed to the Code), you can:

- telephone CCC General Enquiries on 1300 780 808 between 9am and 5pm (Melbourne time)
- write to the CCC, care of The Executive Manager, Code Compliance Committee, PO Box 14240, Melbourne VIC 8001
- lodge a complaint online at [www.cccmutuals.org.au](http://www.cccmutuals.org.au)

### **If you have a general enquiry or want to provide feedback**

You can write to us or call us using the details above.

You can also email your enquiry to [info@codecompliance.org.au](mailto:info@codecompliance.org.au).

### **If you want to know more about the Mutual Banking Code of Practice**

Copies of the Code and information about the Code are available on the CCC's website ([www.cccmutuals.org.au](http://www.cccmutuals.org.au)) and the Abacus Australian Mutuels website ([www.abacus.org.au](http://www.abacus.org.au)).

### **If you have a media enquiry**

All media inquiries regarding the CCC should be referred to Ralph Haller-Trost, Acting Executive Manager, at [rhaller-trost@codecompliance.org.au](mailto:rhaller-trost@codecompliance.org.au) or by calling 1300 780 808.

General information about our work is available on our website [www.cccmutuals.org.au](http://www.cccmutuals.org.au).

#### **Email:**

[info@codecompliance.org.au](mailto:info@codecompliance.org.au)

**Phone:** 1300 780 808

#### **Website:**

[www.cccmutuals.org.au](http://www.cccmutuals.org.au)

