



**Mutual Banking Code of Practice
Code Compliance Committee**

ANNUAL REPORT

For the year ended 30 June 2012

**2011
- 2012**

November 2012

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- A review conducted by the Code Compliance Committee across 44 randomly selected Mutuals, identified that whilst 70% of disclosure documents provided the correct information to members about how to cancel a direct debit under the Mutual Banking Code of Practice (the Code), only four in ten Mutuals surveyed provided fully compliant oral advice in this area.
- An Inquiry into how well Mutuals met their obligations to adequately conduct Code training identified that current systems and procedures to monitor training undertaken and the application of code obligations in practice, require improvement.
- The Committee registered no new matters alleging that the Code had been breached by a Code subscriber. There were also no outstanding cases from the previous reporting period.
- Only 84% of Mutuals returned their 2012 Annual Compliance Statement (ACS) by the extended deadline of 15 October 2012. The Committee was disappointed that 16% of ACS responses remained outstanding at that time.
- Overall, the Committee noted a wide diversity in the thoroughness and quality of information provided by Mutuals during the ACS process, including the quality of breach and complaints registers.
- 364 code breaches were reported by 48 Mutuals during the reporting year (compared with 419 breaches in 2010-2011).
- 50% of these code breaches were reported in the areas of 'Privacy and Confidentiality' (26%), 'Key Commitments' (12%) and 'Dispute resolution' (12%).
- The 'largest' 11 Mutuals reported 38% of these code breaches.
- Mutuals reported that they handled 10,401 complaints from members through their internal dispute resolution systems, 64% of which were resolved in favour of the member or by mutual agreement.
- 84% of these complaints were related to service provision (32%), transactions (32%), ATM failure (10%) and charges (9%).
- 117 instances of non compliance with the Code were identified from internal analysis of these complaints.
- Mutuals received 2,137 hardship applications from members of which 1,683 or 79% were granted some assistance
- Of these granted applications, 419 or 20% were resolved by the provision of long term relief.
- During the reporting period the Committee published or re-published editions [7](#), [8](#), [9](#) and [10](#) of the Committee's bulletin 'Accomplish';
- The Secretariat conducted site visits with 19 Mutuals as part of the Committee's field visit program.
- The Committee and secretariat met on a regular basis with stakeholders, such as [Abacus](#), the Financial Ombudsman ([FOS](#)), the Credit Ombudsman Service Limited ([COSL](#)), the Australian Securities and Investments Commission ([ASIC](#)) and consumer advocacy bodies such as Financial Counselling Australia ([FCA](#)).

About this Annual Report

This Annual Report is published in accordance with section E18 of the Mutual Banking Code of Practice (the Code) and the responsibilities of the Code Compliance Committee (the Committee) as outlined in the Constitution of the Mutual Banking Code Compliance Committee Association (MBCCCA).

The Report sets out the Committee's key achievements during the reporting year 1 July 2011 to 30 June 2012 in monitoring and investigating compliance with the Code by those credit unions, mutual banks and mutual building societies that voluntarily subscribe to it (the Mutuels).

The Report also outlines the Committee's work to engage with the Australian Mutual Industry to improve its standards of practice and service in compliance with the Code's obligations and how the Committee aims to build on that work in the future.

About the Code

The Mutual Banking Code of Practice (the Code) is a voluntary Code of Practice which sets standards of good industry practice for the Mutuels, who agree to follow the standards when dealing with persons who are, or who may become, an individual or small business member of the Mutual, or a guarantor.

The Mutuels have also made a commitment to work continuously to improve the standards of practice and service in the mutual banking industry, promote informed decision making about their services and act fairly and reasonably in delivering those services.

The principles and obligations set out in the Code apply to all Mutual banking services delivered to individuals and small business across Australia. In that sense, the Code forms an important part of the broader national consumer protection framework and the financial services regulatory system.

The Code is published by Abacus Australian Mutuals ([Abacus](#)). A copy can be downloaded from the Abacus website at http://www.abacus.org.au/images/stories/publications/mbcop/MBCOP_Booklet_-_Jan_2010.pdf.

About the Code Compliance Committee

The Code Compliance Committee (the Committee) is an independent compliance monitoring body established under section 4 of the Constitution of the Mutual Banking Code Compliance Committee Association (the Constitution) and part E of the Code.

The Committee's vision

To promote compliance with the Code and to assist Code subscribers to meet and exceed the standards of good industry practice as envisaged by the Code.

Principles

To achieve its vision, the Committee supports the principles and commitments made in the Code, promotes the Code's benefits and aims to influence positive and effective changes in industry behaviour.

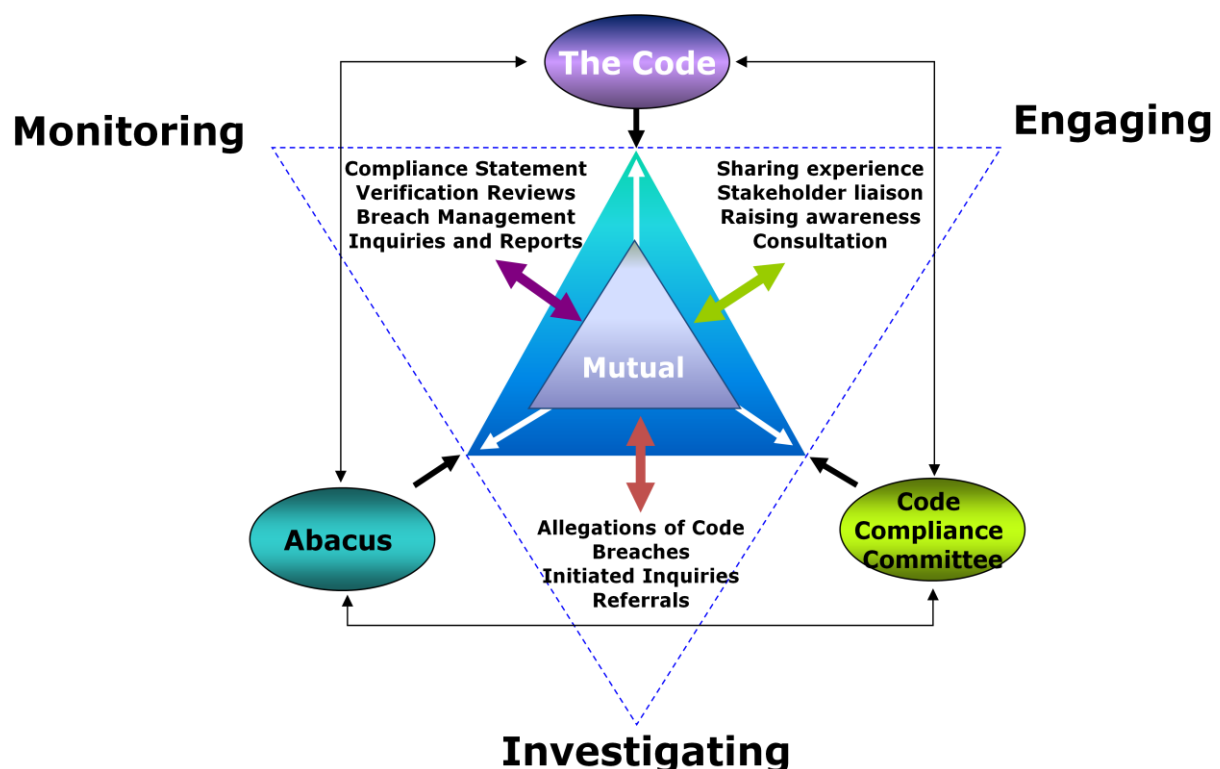
The Committee's work is based on five key principles:

- **Independence** in its operations, governance and decision making;
- **Accountability** in undertaking its functions for the benefit of the mutual banking industry and its members;
- **Transparency** through open engagement with stakeholders;
- **Fairness** in its deliberations and processes; and
- **Accessibility** to its Code monitoring and investigation services.

Key responsibilities and functions

The Committee's key responsibilities and functions are set out in the Constitution and the Code. They include to:

- monitor and report on compliance by the Mutuels with the Code;
- investigate and determine complaints that the Code has been breached;
- monitor aspects of the Code referred to the Committee by Abacus or other relevant stakeholders;
- conduct own motion inquiries into compliance with aspects of the Code;
- receive compliance reports and monitor and report on Code subscribers' adherence to minimum reporting standards; and
- provide advice to the Association Chair and Abacus on a range of matters related to the Code and the Committee's operations.



Chairperson's Report

This is my third report as Chair of the Code Compliance Committee and my last. I am stepping down from the Committee effective September 2012, my three year appointment having come to an end. It has been a great pleasure to have been the inaugural Chair and to have played an active role in the establishment and work of the Committee in monitoring compliance with the Mutual Banking Code of Practice. Our role has been greatly assisted by the Mutual industry, which places a high premium on providing good service to members.

I believe that we have come a long way since the initial development of the Code and the subsequent work undertaken by Abacus, the industry and the Committee to put the Code into practice. In this three year period, we have achieved an increased awareness of compliance with the Code obligations amongst Mutuels and a better understanding of the necessity for rigorous internal code compliance programs and controls.

The industry, with assistance of Abacus and the Committee, now needs to build on this good work and continue to improve internal Code compliance, identification, recording and rectification of Code related issues and reduce non-compliant activities.

The 2012-2013 year promises to be a busy year of evolution and change in the sector. This evolution will include an independent review of the Code, which is now three years old. The Committee hopes this review will build on the significant work of Mutuels to date in differentiating themselves from the traditional banking sector through the key promises and commitments made to their members.

The Committee believes the review of the Code is important as it will help ensure that the Code remains fit for purpose in a changing world, where internet and mobile banking services and interaction via social media between Mutuels and their members, will become more commonplace. The Code's values-based framework should assist Mutuels to navigate this new world and continue to position the sector as the most customer orientated of the financial services industry.

The Committee looks forward to the review and to being able to contribute its knowledge and experience to a successful outcome. In preparation for the review and for the challenges and opportunities that may lie ahead, I encourage all staff, managers and directors of Mutuels to reflect, as I have, on the Code's purpose, its value to their business and to the industry more generally.

I wish to thank my fellow Committee members Patricia Langham and Professor Gail Pearson for their excellent work and support over the last years.

I also would like to thank the members of the Secretariat, Executive Manager Dr June Smith and her team for their support and assistance to me in my role as Chairman.

Jeff Whalan
Committee Chairperson

Executive Manager's Report

I am very pleased to report that the key objectives set by the Committee in its 2011/2012 Work Program have been achieved within set timeframes and within budget.

This year we conducted the Annual Compliance Statement program across 95 code subscribers. For the first time, the ACS was developed in consultation with industry. This led to a streamlined questionnaire and an examination of a number of key code obligations in more detail. This revised approach provided the Committee with a better understanding of particular code compliance issues, such as those associated with internal dispute resolution and the reporting of code breaches by Mutualls (see page 13 of this report for further details).

As mentioned in the Year at a Glance Summary, we completed a follow up review to examine whether there had been improvements in the advice provided by Mutualls to members about the cancellation of Direct Debits (Clause 20.1 of the Code). Further details concerning the Inquiry's findings are outlined on page 21 of this report. We also reviewed how well Mutualls meet their obligations under key promises 5 and 10 and Part E, section 2 of the Code to conduct code training and to ensure these obligations are applied in practice (see page 23 for the Committee's findings).

We continued our field visit program to improve the Committee's understanding of the Mutualls' business operations, to educate Mutualls on the work of the Committee and to verify information received from the Mutualls in their Annual Compliance Statements. A total of 19 visits were conducted in both capital cities and regional Australia. I encourage Mutualls to use this program as an opportunity to discuss queries they may have in relation to code compliance or about the CCC work program in general.

We continued to publish the Committee's quarterly newsletter, 'Accomplish' which provides an overview of current and future activities, together with any other issues or observations the Committee wishes to raise with the industry. This newsletter receives very positive feedback from industry and is a primary communication tool between the Committee and Code subscribers.

Operationally, we continued to develop our code monitoring procedures, including the development of a new internal case management and reporting system (CODEX). This system will allow the Secretariat to record and analyse code compliance data more efficiently and provide industry with timely feedback.

Key features of the Committee's work for 2012 - 2013 are outlined under the heading "Future Outlook" on page 27 of this report. They include an inquiry into compliance with financial difficulty obligations and consultation with industry about the development of guidelines for effective monitoring, reporting and management of code breaches.

I would like to thank the outgoing Chairman Jeff Whalan for his guidance and support to the Committee and secretariat over the last three years. I wish him well with his future endeavours. Thank you also to Patricia Langham and Professor Gail Pearson for their willingness to share their experience and knowledge with the secretariat and industry. Finally, I wish to acknowledge the work of Daniela Kirchlinde, whose efficiency and professionalism adds great value to our code monitoring services. I am looking forward to working together with the CCC and the dedicated Code team at FOS over the next year to ensure that Mutualls meet the standards of good industry practice set out in the Code and to ensure that we share our experience in code monitoring with all stakeholders.

Dr June Smith, Executive Manager.

The Committee Members

Chairperson

Jeff Whalan AO Term: 1 October 2009 to 30 September 2012
(retired effective 30 September 2012)

Jeff Whalan is a consultant who works with CEOs, senior executives and organisations to help them improve their performance. Jeff has held numerous senior executive appointments in the Australian Public Service since 1990, including CEO of Medicare Australia and Deputy Secretary positions in the Prime Minister's Department (responsible for social policy), the Department of Defence and the Department of Family and Community Services. He has also been a senior executive in the Queensland Department of Family Services. Until September 2008, Jeff was the CEO of Centrelink, which is the largest agency of the Australian Public Service agency with 27,000 staff. He was appointed as an Officer of the Order of Australia in 2008 for his work in this capacity.

Jeff is a Fellow of the Institute of Company Directors and a Fellow of the Institute of Management. He is also Chair of the Australian Governance Masters Index Fund Limited and a board member of the Global Masters Resources Fund.

Consumer Representative

Professor Gail Pearson Current term: 1 October 2009 to 30 September 2014
(re-appointed in October 2011)

Professor Gail Pearson [BA (Hons), LLB, PhD] is a leading academic in the fields of financial services, commercial and consumer laws. She is the author of Pearson, G., *Financial Services Law and Compliance in Australia*, Cambridge University Press 2009, Pearson, Fisher, Tolhurst and Peden, *Commercial Law: Commentary and Materials* (ed3) Lawbook 2010, and Pearson and Batten, *Understanding Australian Consumer Credit Law*, CCH 2010. She has published numerous articles in Australian and international journals.

Gail founded (with a colleague) the Australasian Consumer Law Roundtable, is Vice President of the International Association of Consumer Law, and a member of the International Law Association Committee which drafted the Sofia Principles for international protection of consumers.

Industry Representative

Patricia Langham Current term: 1 October 2009 to 30 June 2013
(re-appointed in October 2010)

Patricia is one of the three Founding Committee members. Patricia holds a Diploma of Financial Advising and a Graduate Diploma in Financial Planning. Patricia has been a member of the Australasian Mutuals Institute (formerly AICUM, then ACUI) for more than 16 years and is the Secretary of its NSW/ACT Regional Council.

Following a career in the Australian Public Service, Patricia joined the Mutual Banking community as a full-time employee in late 1996. She had previously worked in an honorary capacity and also served as a Director on the board of a small Credit Union. Patricia's career includes senior roles such as General Manager of Access Credit Union (formerly Labour Staff Credit Union) from August 1996 to March 2001 and General Manager of the TAFE and Community Credit Union from May 2002 to November 2008.

In December 2008, Patricia joined Teachers Mutual Bank Limited and currently holds the position of its Western Sydney Regional Manager. Patricia has been active in the Mutual Banking industry participating on several Abacus and Cuscal working parties and travelled to Cambodia in May 2008 on CUFA's initial Credit Union Education Program.

Committee Meetings

The Committee holds regular meetings with the Secretariat. In the 2011–2012 reporting year it met on six occasions with all Committee Members present at each meeting.

The Secretariat

The Secretariat represents a dedicated team of staff members employed by the Financial Ombudsman Service (FOS). This team provides code monitoring and administration services to the Committee and Abacus by agreement.

Executive Manager

Dr June Smith July 2011 – current

Dr June Smith [B.A.Hons/LLB/PhD] has significant expertise in corporations law, compliance and regulatory frameworks in the financial services sector. June has a PhD in Law from Victoria University specialising in professional and business ethics and organisational decision making within financial services organisations.

Her external appointments include: Chair of the Disciplinary Appeals Tribunal of the Financial Planning Association of Australia Ltd, Deputy Chair of its Conduct Review Commission, Member of Racing Victoria's Racing Appeals and Disciplinary Board, Member of the Lexis Nexis Financial Services Editorial Committee and Member of the Victorian Department of Health's Human Research Ethics Committee. June has also recently accepted an appointment as a Victoria University Ambassador.

Secretariat Staff

Daniela Kirchlind Compliance Manager

Daniela Kirchlind has a background in dispute resolution and has broad insurance industry experience, having worked in Australia and overseas. Daniela has a Bachelor of Commerce degree from Cologne University, and holds the German equivalent of the Australian Insurance Institute Associateship, in addition to a Graduate Diploma in Finance and Investment from the Securities Institute of Australia. In addition to her Compliance Manager role, Daniela is also responsible for Code management of the Insurance Brokers Code of Practice.

Ralph Haller-Trost Investigations Manager

Ralph is lawyer with a background in dispute resolution and legal compliance frameworks. His role includes investigating alleged breaches of the Code, governance issues, conducting self-initiated Inquiries, delivery of Code training and delivering the Secretariat's overall investigation framework.

Iris has a Masters in Finance and Risk Management from Monash University. Her role included responsibility for the delivery of the Annual Compliance Statement and onsite visit programs, conducting empirical reviews and data and trend analysis. In addition, she played a key role in the delivery of the Committee's secretariat function. Iris left the Secretariat in May 2012 to take up an external role.

The Committee's operations

The Committee's compliance functions can be grouped into three broad categories:

- **Monitoring** compliance with Code obligations and conducting own motion inquiries;
- **Investigating** and determination of complaints made by any person that a Code subscriber has breached the Code; and
- **Engaging** with stakeholders about Code compliance matters and providing advice on a range of matters related to the Code and the Committee's operations.

Code Monitoring Activities

One of the primary tools used by the Committee to monitor compliance with the Code is the Annual Compliance Statement (ACS). The ACS is a self assessment tool that assists each Mutual to review its compliance with the Code's obligations during the reporting period. Each Mutual is required to respond to the ACS on an annual basis pursuant to section E18 of the Code.

The ACS process is a significant component of the Committee's monitoring program and furnishes the Committee and the Mutuals with valuable information about current compliance code issues, emerging risks and potential areas for industry improvement. The ACS process also:

- helps the Committee to identify how effectively the Mutuals address their Code obligations;
- improves the Committee's understanding of the daily compliance challenges faced in Mutual banking; and
- provides examples of good industry practice that can be benchmarked and promoted across the industry.

The 2012 Annual Compliance Statement (ACS)

As part of its collaborative approach to monitoring and investigating compliance with the Code, the Committee consulted with the Mutuals and Abacus when setting the format and key compliance questions for the 2011- 2012 ACS.

It is pleasing to report that Mutuals worked co-operatively with the Committee in introducing a number of agreed changes to the 2011-12 ACS questionnaire. These changes allowed a more targeted consideration of specific aspects of the code monitoring and compliance activities of the Mutuals.

The 2011- 2012 ACS primarily focused on how Code compliance is reported and monitored across the Mutuals' sector. The Committee requested specific details of non compliance with Code obligations recorded during the year and information concerning complaints made by members about the Mutuals'

services. In addition, the ACS sought information about internal dispute resolution (IDR) practices, financial difficulty and virtual banking.

In its assessment of the ACS, the Committee considered several primary aspects of code compliance, including:

- the effectiveness of code monitoring frameworks across the industry;
- monitoring, reviewing and assessing code breach identification and management within the Mutuels;
- Mutuels' reporting of breaches of the Code both internally and to the CCC;
- rectification activity and the assessment of the consumer impact associated with code breaches; and
- reviewing and assessing the management of any significant and systemic issues relating to the Code.

For Mutuels, the ACS program provides the opportunity to self report areas of non compliance with code obligations, share information with the CCC about areas of good industry practice and to highlight areas that Mutuels have identified for priority attention or follow up. The key purpose in requesting Mutuels to self report non compliance with the Code's obligations is to identify:

- the level of industry compliance with the Code;
- the appropriateness of Mutuels' responses to breaches and, where necessary, remedial actions taken; and
- areas for future compliance monitoring programs and/or guidance.

Effective notification by Mutuels of Code related breaches during the reporting year is critical to the Committee's compliance monitoring function and to identifying emerging areas of risk for ongoing review. Accordingly, part I and II of this year's ACS focused on Mutuels' assessment, reporting and monitoring of Code breaches. Mutuels were requested to provide a copy of their breach register or to complete the sample register provided by the Committee. The 2011- 2012 ACS also requested details of the circumstances surrounding a non-compliant event and any remediation plans put in place to rectify the non-compliance.

A total of 84% of Mutuels returned their ACS by the 15 October 2012 due date. The Committee acknowledges that the vast majority of Mutuels engage in a proactive and co-operative manner in their timely completion and return of their responses. This level of co-operation is important to the effective monitoring of a voluntary self regulatory scheme.

A total of 16% of Mutuels had not returned their ACS response by the extended deadline of 15 October 2012. The responses from those Mutuels have therefore been excluded from the data analysis outlined on the following pages of this report. This was the third year that Mutuels were asked to complete and return the statement to the Committee. Accordingly, the Committee expected an improved rate of return of ACS from Mutuels in this reporting year.

Self identified non compliance by Mutuels with the Code's obligations must be considered in the context of the sheer number of services and transactions undertaken by Mutuels during a reporting year. The Committee recognises that Mutuels place a high premium on providing good service to members and that significant progress in code compliance has been made. The industry, with assistance of Abacus and the Committee, now needs to build on this good work and continue to improve internal Code compliance and the identification, recording and rectification of Code related issues.

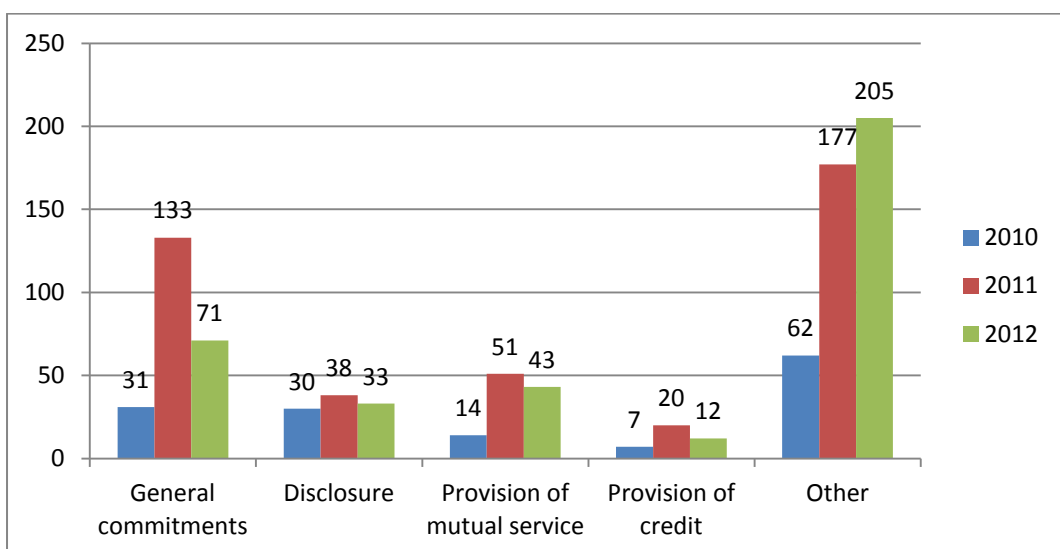
For example, during this reporting year, the Committee noted a wide diversity in the quality of breach and complaint registers used across Code subscribers. There appears to be no common industry practice or guidance in place about the importance of accurate and meaningful capture of breach and compliance data. The Committee intends to consult with industry about its findings in this area. Its objective is to develop guidance and benchmarks regarding effective Code monitoring and reporting practices.

Self reported Code Compliance Breaches

Graph 1 below identifies the aggregate number of code breaches reported by the Mutuals in 2011-2012 across five broad groups of Code obligation. These figures are compared to the number of breaches reported in the same categories in the previous two reporting years. Attachment C to this report provides a full comparative table of all self reported Code breach data for the reporting years 2009/10 to 2011/12.

In 2011- 2012, a total of 364 code breaches were reported to the Committee. Most instances of non compliance with Code obligations related to the ‘General commitments’ category (71 breaches or 20%) and the ‘Other category’ (205 breaches or 56%), which together represented 76% of the total number of breaches reported.

Graph 1: Number of breaches reported by Code grouping

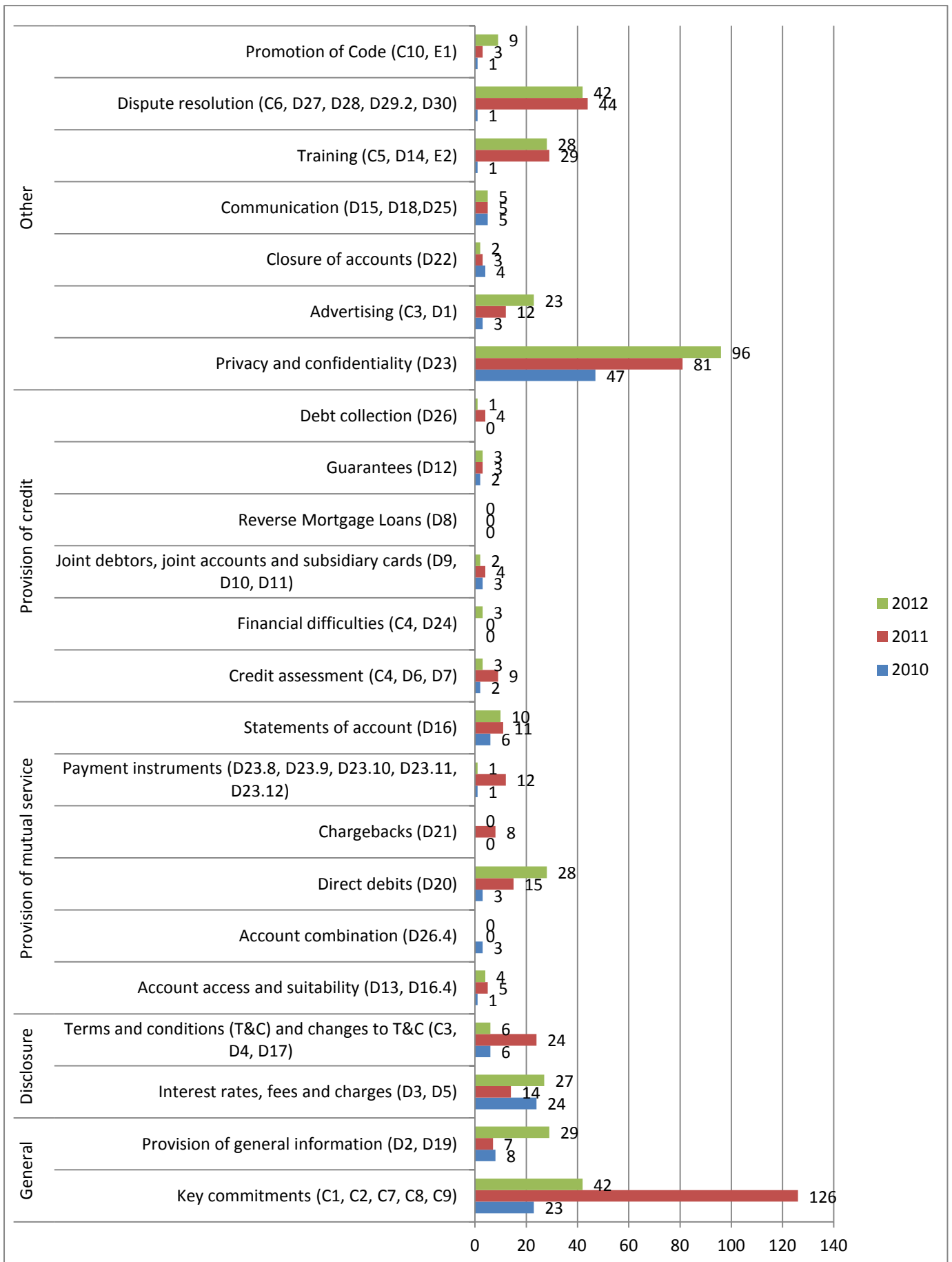


Only 51% of Mutuals self reported code breaches in 2011-2012. The Committee is concerned that 49% of Mutuals did not report any instance of code non compliance in the reporting period. A positive culture of breach identification, management and reporting should be encouraged to ensure that emerging areas of compliance risk are identified and that continuous improvement is made in service provision.

As demonstrated in Graph 2 below, most individual code breaches reported in the 2011- 2012 ACS related to the following five categories, representing 66% of the total number of reported breaches:

- ‘Privacy and confidentiality’ (96 breaches or 26%);
- ‘Key Commitments’ (42 breaches or 12%);
- ‘Dispute resolution’ (42 breaches or 12%);
- ‘Direct Debits’ (28 breaches or 8%);
- ‘Training’ (28 breaches or 8%)

Graph 2: Self reported Code Breaches between 2010 - 2012



In relation to the “Other” category, 96 breaches were recorded against obligation D23, namely to comply with National Privacy Principles and treat the personal and financial information of members confidentially.

Breaches associated with privacy and confidentiality matters appear to be associated with human, system and administration errors. They do not appear to be systemic, nor significant, in nature.

Some of the breaches of the Code self reported by Mutuals concerning privacy obligations include:

- staff issuing a receipt with account details (including account balance) to a person not associated with the account;
- a credit account enquiry completed for a loan when no signed consent form or evidence of verbal consent was noted;
- a member was not adequately identified when using the the call centre for an account enquiry.

A total of 37 breaches were recorded against D28 - to ensure that internal complaints handling standards are consistent with the Australian Standard, Customer Satisfaction Guidelines for Complaints Handling in Organisations (AS ISO 10 002: 2004, MOD). These obligations include providing members with information about how the Mutual deals with complaints and how they try to resolve them.

Examples of the nature and type of breaches reported by Mutuals against these dispute resolution obligations follow:

- failure to provide a dispute resolution brochure to a member who had made a complaint;
- a complaint by a member not followed through and left unresolved; and
- failure to provide written confirmation to a member that an ATM dispute would not be investigated within 21 days.

The key commitment provisions of the Code include Key Promise 8 to comply with legal and industry obligations (30 reported code breaches) and Key Promise 2 to focus on members by placing a high priority on service and competitiveness (11 reported code breaches). Examples of the types of non compliance reported under these provisions include:

- credit reference checks not obtained for new directors and responsible managers under National Credit Legislation;
- required information regarding withholding tax not issued to relevant members; and
- failure to disclose comparison interest rates for fixed term credit products on the website as prominently as the normal rate.

Table 1 below compares self reported breaches associated with six sections of the Code (where recorded breaches totalled > 5% of the total number of breaches) compared to the number of these breaches that Mutuals identified from their analysis of member complaints.

Table 1: Comparison of reported breaches to member complaints

(note: only Code sections which represent 5% or over of total breaches received are listed):

CODE SECTION	Number of reported breaches	Reported breaches as a % of total breaches (364)	Number of breaches identified from complaints.	Number of breaches as a % of breaches identified from complaints (117)
KP5 We will deliver high customer service and standards	21	6%	4	3%
KP8 We will comply with our legal and industry obligations	30	8%	20	17%
D3 Information on interest rates, fees and charges	26	7%	6	5%
D20 Stopping direct debits	28	8%	9	8%
D23 Information privacy and security	96	26%	23	20%
D28 Our complaints handling process	37	10%	26	22%

The Committee noted that of the 364 breaches self reported in 2011-2012, 117 were identified from member complaints lodged with the Mutual. This means that 247 breaches of the Code were identified through internal quality assurance programs or code monitoring activities of the Committee.

As would be expected the highest number of code breaches identified from member complaints were non compliance with Key Promise 8 (we will comply with our legal and industry obligations) and Key Promise 6 (complaint handling procedures).

Internal Dispute Resolution

In part III of the 2012 ACS Mutuals were requested to provide information regarding their internal dispute resolution (IDR) systems and procedures.

This information was used to assess the Mutuals' compliance with Code obligations under Key Promise 6 ('We will deal fairly with any complaints'), part D section 27 ('Prompt, fair resolution of complaints') and section 28 ('Our complaints handling process').

In general, the Mutuals reported high levels of overall compliance with their IDR Code obligations and their obligations to advise members of the availability of external dispute resolution (EDR).

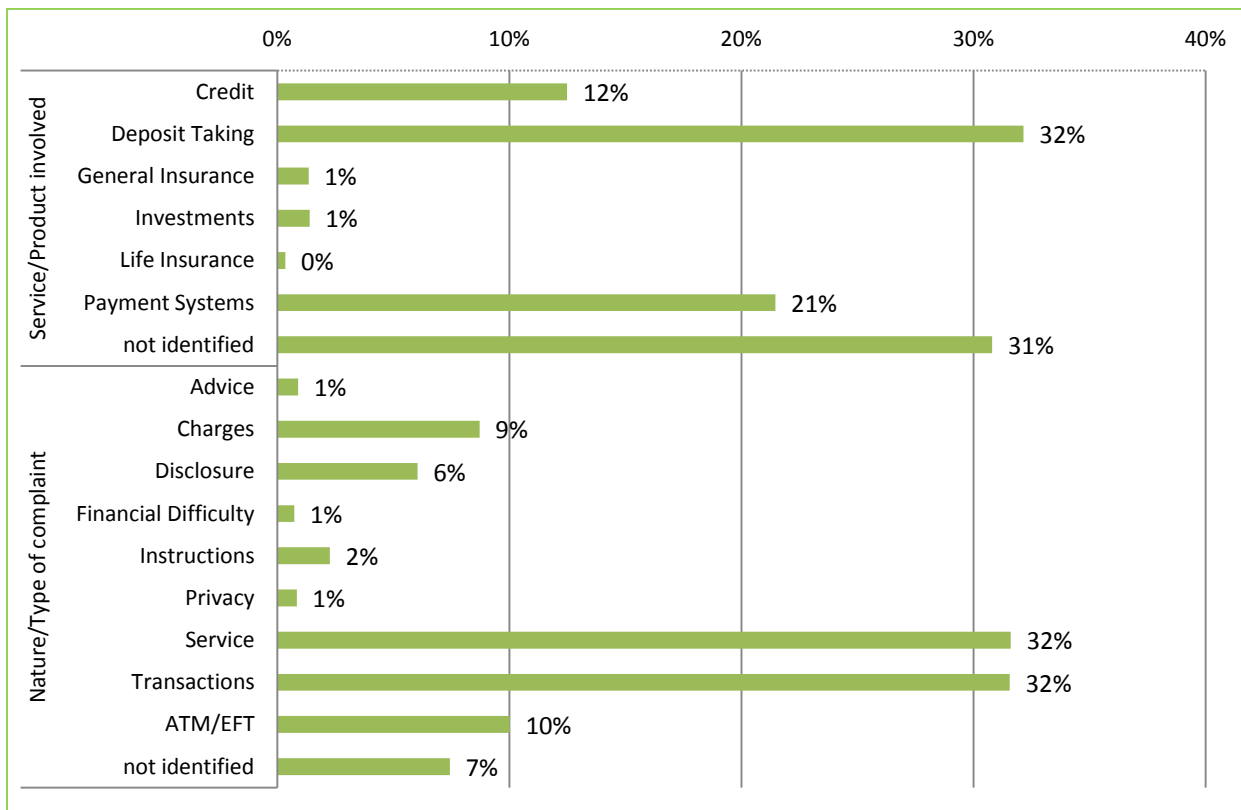
Mutuals reported that a total of 10,401 complaints received from members in 2011-2012. Only 29% of Mutuals reported that they did not receive a complaint during the reporting period.

Graph 3 and 4 below identify the aggregate complaint numbers, split by:

- the service/product involved;
- the nature/type of complaints received;
- complaint resolution outcomes; and
- timeframes to resolve the dispute.

The Committee noted the diversity in quality and contents of complaint registers submitted by Mutuals with their ACS responses and will work with Mutuals and Abacus in providing guidance on compliance with Code obligations in this regard.

Graph 3: IDR complaints per service/product and nature/type of complaint



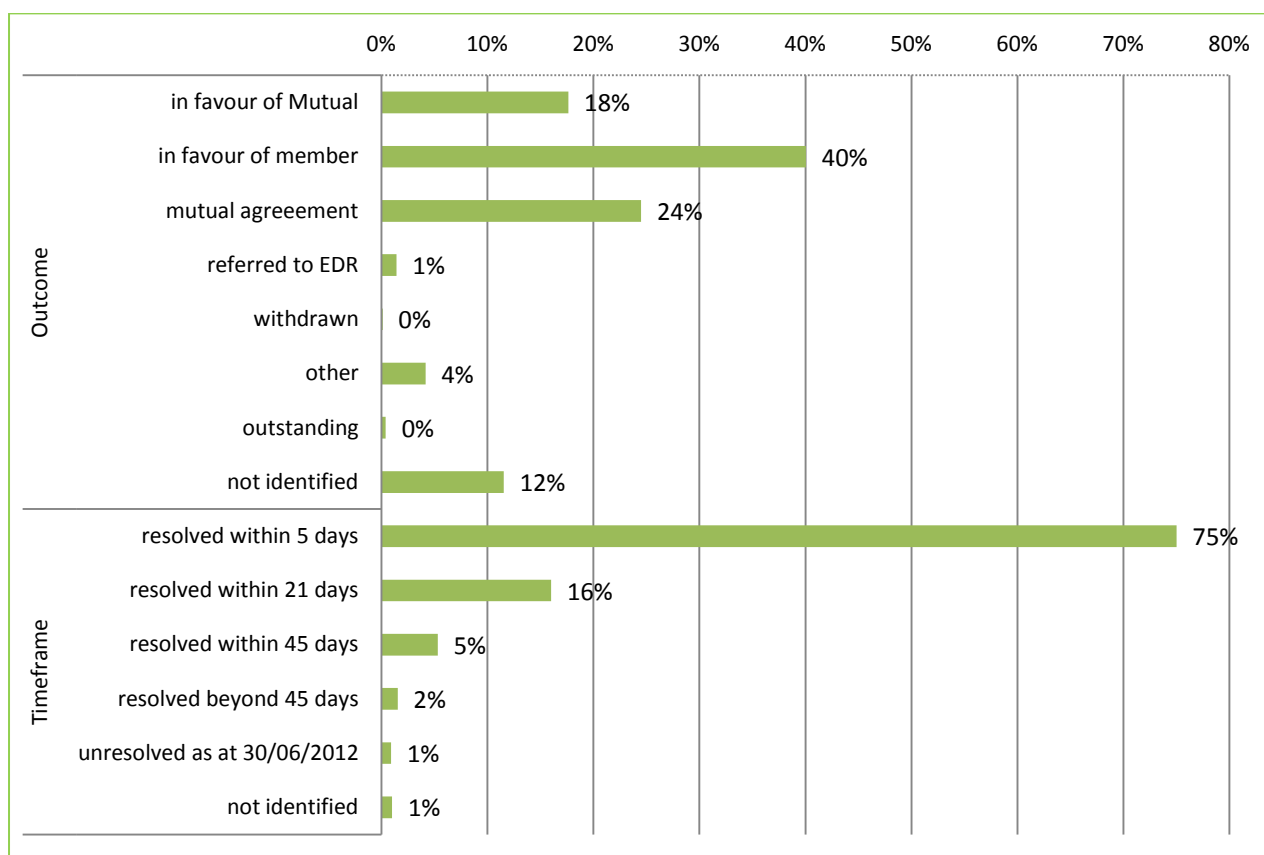
IDR complaints during the reporting period were most commonly recorded in relation to deposit taking products (32%). A total of 31% of complaints were not ‘identified’ by Mutuals against a specific product or service.

The service provided by staff members (32%) and the transaction involved (32%) were the most common type of complaint received.

Graph 4 below indicates that 64% of disputes recorded by Mutuals in their IDR systems were resolved in favour of the member or by mutual agreement. Mutuals resolved a significant number of disputes received within 5 days (75%) and an even greater proportion within 21 days (81%). The reasons stated by Mutuals as to why a dispute may not have been resolved within 45 days included:

- hardship cases involving legal action;
- complaints involving superannuation investments;
- transactions outside Australia;
- police investigations;
- difficulty in obtain further information from the member;
- liaison with a third party provider (e.g. insurer); and
- complexity of the complaint.

Graph 4: Complaint Numbers per outcome and resolution rates



Financial Difficulty

Part IV of the 2012 ACS required Mutuals to provide information regarding their compliance with Code obligations under Key Promise 4 ('We will be responsible lenders') and part D section 24 ('If you are in financial difficulties').

Graph 5 below identifies that a total of 2137 hardship applications were received by Mutuals in 2011-2012, in respect of 948 loans and 1189 credit cards. Of these applications, 1683 applications were granted assistance (751 in loans and 932 in relation to credit cards). Mutuals reported that:

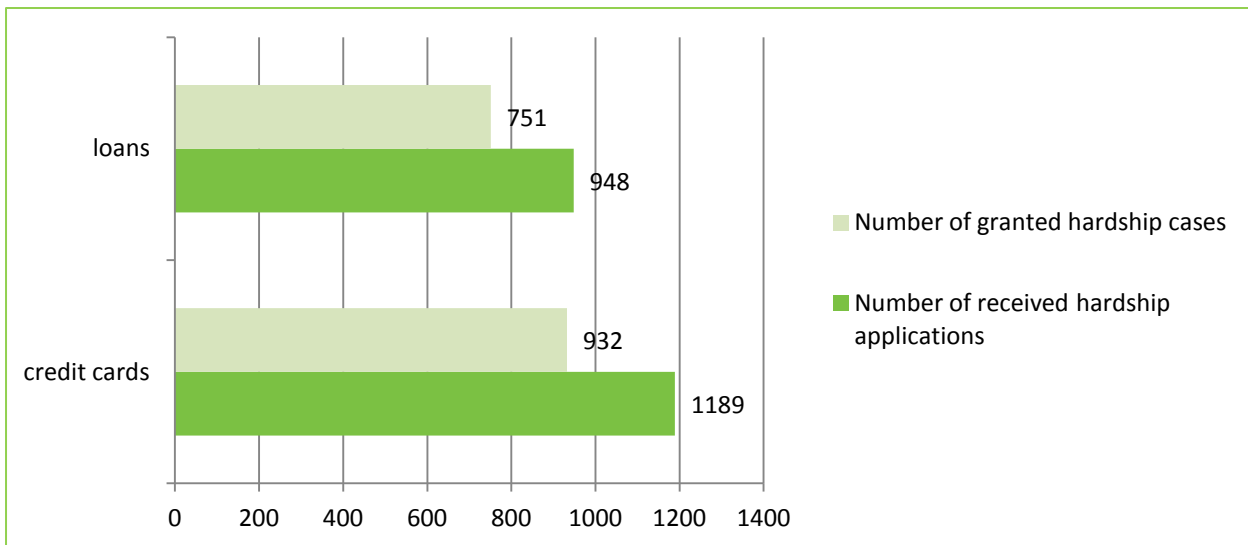
- 1,264 hardship applications were resolved by provision of short term relief (a 3 to 6 month program); and
- 419 hardship applications were resolved by provision of long term relief (a program in excess of six months).

Mutuals advised that the type of assistance offered within these programs may include:

- reducing or ceasing repayments for a nominated period, particularly where a member is ahead in their repayments;
- postponing payments due under the contract over a specified period of time, followed by increased repayments for a "catch up" period without extending the term;
- extending the contract term with a consequent reduction in payments;

- a combination of the above; and
- other methods of tailoring assistance depending on the individual's circumstances.

Graph 5: Hardship applications



Mutuals advised the Committee that they inform members about their financial difficulty programs through a wide array of mechanisms including:

- on their website;
- with collection letters;
- during phone contact;
- with loan documentation;
- in brochures;
- when the member is first contacted in connection with a default in their loan repayments;
- default letters;
- direct debit dishonored letters; and
- in bulletins regarding specific events (e.g. Victorian and Queensland floods).

Most Mutuals confirmed that internal benchmarks for responding to a member in financial difficulty were:

- acknowledgement within 24 hours to three days of the request or member contact;
- where possible applications are determined within 7 to 14 days; and
- a formal response to the hardship application is made within 21 days of the date of the application (30 days if Board resolution is required).

It appears that Mutuals do not commonly deal with financial counsellors representing members during this process. Only 20% of Mutuals advised that they received referrals from financial counsellors during the reporting period. The Committee has published an article in the bulletin [Accomplish 12](#) on the CCC website in October 2012 to clarify the use of financial counsellors.

The Committee will be conducting an inquiry into how well Mutuals are complying with their code obligations in relation to financial difficulty in early 2013.

Virtual Banking

In a world where the Mutual is no longer ‘a place you go’, and ‘banking’ has become something you just do, the role of technology in banking is increasing. The migration of Australian banking from face to face branches to virtual interactive online or mobile devices and services is a critical issue facing Mutuals today.

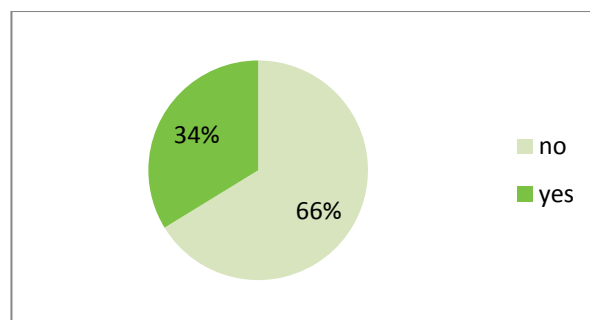
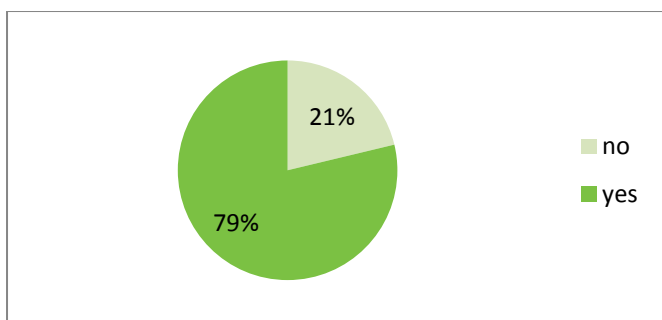
In part V of the 2012 ACS the Committee asked Mutuals to provide information about the extent to which these developments are influencing the Mutual banking sector. The Committee is keen to understand the links and application of Code obligations to the virtual interface between Mutuals and their members. The Code’s obligations should apply irrespective of the medium through which mutual banking services are provided or the relationships between Mutuals and their member are conducted.

Graph 6 below indicates that 79% of Mutuals advised that they currently offer online services to their members. Of the 79% of Mutuals who offer virtual online services to members, 20% stated that over half their members are registered to use internet banking facilities. The range of online services and products offered by Mutuals is also increasing and includes internet banking services; online application for membership and credit; phone banking and mobile banking services.

This compares 34% of Mutuals which advised that they use social media as a marketing tool. Some of the social media used by Mutuals includes facebook, twitter, linkedin, foursquare and youtube.

Graph 6: Delivery of virtual online services to members

Graph 7: Use of social media as marketing tool



Mutuals’ advised that they employ a range of code monitoring activities to ensure that staff engage in appropriate and code compliant behaviour, when using virtual media. The Committee is encouraged by these activities and the level of awareness demonstrated by Mutuals of potential code compliance issues with the use of social media including the need for advertising and disclosure guidelines to include reference to social media and organizational policies on appropriate use of twitter and facebook for business purposes.

Reviews and Inquiries

As part of its code monitoring program, the Committee initiated and completed one review and one inquiry:

Direct Debit Review

Between March and April 2012, the Committee conducted a follow-up review of 44 randomly selected Mutuals (excluding those Mutuals who participated in previous shadow shopping exercises), to examine

compliance with part D section 20.1 of the Code in relation to stopping a direct debit arrangement linked to a transaction account.

Under section 20.1 of the Code, Mutuals are required to stop or cancel a direct debit facility linked to a member’s transaction account promptly upon request by that member.

The Committee conducted the review in two phases:

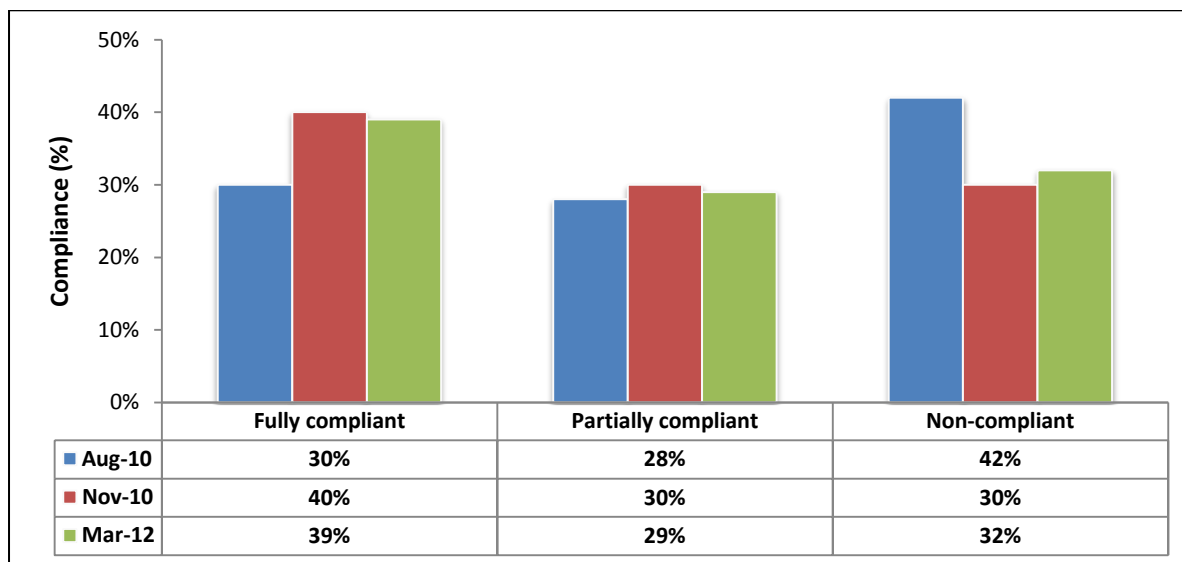
- *Phase 1* incorporated a desktop review of Mutuals’ disclosure documents and content on Mutuals’ websites associated with the process to be adopted when cancelling direct debits; and
- *Phase 2* incorporated a shadow shopping exercise of Mutual call centres or branches, to assess whether oral advice provided to members about direct debit cancellations was compliant with Code obligations.

Results

In its most recent review, the Committee identified that 68% of disclosure documents that provided members with information about the cancellation of direct debits, complied with the process outlined in with Code.

Graph 8 compares the results of the shadow shopping exercises undertaken in 2010 and 2012. The results indicate a small improvement in the verbal advice provided by Mutuals’ in relation to direct debit cancellation between the two reviews (30% fully compliant in 2010 to 39% fully compliant in 2012).

Graph 8: Results from the shadow shopping review from 2010 and 2012



Recommendations

The results of this review were disappointing and did not meet the Committee’s expectations. All disclosure documents should contain correct information about direct debit cancellation. In addition, Mutuals should ensure that correct information is provided to members who contact call centres and branches seeking advice on the cancellation process.

Subject to the size of the Mutual, the complexity of its business and the number of direct debit cancellation applications received, the Committee recommends that Mutuals:

Develop

- a compliance checklist outlining direct debit obligations for use by relevant business units.
- a standard form for members to complete when they wish to stop or cancel a direct debit arrangement which can be downloaded from the website.

Review

- direct debit information contained in disclosure documents to ensure its accuracy.
- the website (if one exists) to ensure the search function responds to simple keyword searches concerning direct debits and hyperlinks connect to the correct documents.

Educate

- relevant staff about the key Code obligations and processes required to stop or cancel a direct debit facility.
- staff about the impact of incorrect advice, particularly upon members experiencing financial hardship.

Monitor

- compliance with Code obligations in this area by undertaking their own shadow shopping exercises.

Towards Better Practice

The ability to cancel a direct debit arrangement linked to a member's transaction account is a powerful safeguard for members, especially for those who are in financial difficulty. A failure to accept or act on notice of a direct debit cancellation request may cause members to be further impacted when exception and penalty fees are imposed on the account.

The availability of accurate information in relation to stopping a direct debit is also aligned with two of the key promises within the Code to:

- provide clear and accessible information about products and services; and
- make sure that staff, agents and representatives are well trained and apply the Code in practice.

The Committee is concerned that the level of compliance with clause 20.1 of the Code in the 2012 review has not improved since the previous reviews conducted in 2010. The consistent proportion of non-compliant responses over the period demonstrates that Mutuals must be conscientious in providing training and information to staff in respect of direct debits. Mutuals must also have in place sufficient quality assurance and monitoring to identify and correct areas of non-compliance.

Inquiry into compliance with Code Training obligations

Between April and May 2012, the Committee conducted an Inquiry into how well Mutuals met their obligations under Key Promises 5 (*'We will deliver high customer service and standards'*) and 10 (*'We will support and promote the Mutual Banking Code of Practice'*) and part E, section 2 of the Code (*'Training our staff'*) ensuring staff, agents and representatives receive training on the Code and apply this training in their dealings with members.

The Inquiry was conducted through a data gathering questionnaire which requested information from Mutuals about Code training methods, content, frequency and coverage. The questionnaire also sought information about the controls in place to monitor the completion of Code training, the monitoring of these key controls and the processes which exist should a Code breach be identified.

The data gathering questionnaire was distributed to the 96 Code subscribing Mutuals on 10 April 2012, with 72% of these Mutuals responding by the requested date of 16 May 2012.

Results

The Committee identified that whilst Code training is embedded in the learning and development programs of most Mutuals, the content of that training, method and frequency and monitoring of that training varies depending on the size of the Mutual.

The effectiveness of Code training can be measured by how well Code obligations are applied by staff in daily operations. The Committee found that the monitoring and supervision frameworks of some Mutuals to ensure that Code obligations are applied by staff in daily operations, require enhancement.

A summary of key findings is outlined below:

Good Industry practice

- Over 90% of Mutuals include Code training in their learning and development programs while more than 80% of Mutuals incorporate Code training in their staff induction program.
- Over 86% of Mutuals provide Code training to staff independent of their function.
- Approximately 90% of medium and large Mutuals have a formal program to remind staff about Code training obligations, generally on an annual basis.

Areas for Improvement

- Approximately 14% of small Mutuals do not record any details of staff training on Code obligations.
- Systems to monitor how Code obligations are applied in practice by Mutual staff are not commonly evident.
- The data suggests that Mutuals tend to view Code training as a stand-alone module. Mutuals are encouraged to incorporate content about relevant code obligations into all training modules undertaken by staff.

Recommendations

After conducting the Inquiry in relation to Code training obligations, the Committee made a series of recommendations which are summarised below:

Embed Key Promises in day to day practice

- Reference to relevant Code obligations should be included in all training modules, whether the training concerns product, service or procedure.

Customise Staff Code Training

- Mutuals are encouraged to customise Code training depending on the size, nature and complexity of the business. Training can incorporate online training materials, modules customised to role or function, role play scenarios, case studies and on the job mentoring.

Adopt Additional Informal Training Measures

- Reiteration of key messages about code obligations can assist in ensuring they are applied in practice. Use, newsletters, internal circulars and staff meetings for this purpose.

Track and Record Code Training

- Code training completed by staff must be recorded. Smaller Mutuals in particular should consider developing a standard training checklist to assist them in meeting their Code obligations.

Monitor the Application of Code Obligations

- Mutuals are encouraged to monitor the application of Code obligations in daily practice through, for example, monitoring contact calls with customers, shadow shopping and other simple day to day observations or supervision.

Towards Better Practice

The inquiry into Code training obligations provided a broad overview of current levels of compliance, practices and procedures in relation to how well Mutuals undertake Code training and monitor the application of Code obligations in daily service provision.

In addition to the use of formal stand-alone Code training modules, the Committee suggests that Mutuals consider supplementing existing training programs with other mechanisms including:

- discussion about Code obligations at regular team meetings;
- role play and case study exercises which may enhance the ability of staff to put Code training obligations into practice;
- face to face discussion between supervisors and staff about the application of Code obligations to practice;
- distribution of the Committee's quarterly newsletter 'Accomplish' to all staff.

The Committee further encourages each Mutual to re-visit their obligations under key promises 5 and 10, as well part E, section 2 of the Code and review their processes and procedures to ensure their staff can deal with their members confidently in terms of Code obligations.

Investigating

As part of the Committee's functions, it receives and investigates allegations of breaches of the Code made by any third person, including members of Mutuels, potential members and other key stakeholders.

The Committee cannot consider claims for compensation and loss. The Committee's investigations aim to identify the cause of alleged breaches rather than assessing compensation claims. The investigations also help identify whether broader compliance issues are present. In particular, the Committee's work considers the effectiveness of remedial actions taken by Mutuels to minimise the impact of breaches on members.

There are two types of investigation undertaken, investigations into an allegation of a breach of the Code made by an individual (called a complaint investigation) and investigations that are self initiated by the Committee itself.

Complaint Investigations

New complaints

During the reporting period, the Committee received no new complaints.

Outstanding complaints from previous reporting period

During the reporting period, there were no outstanding complaints from the previous reporting period.

Self-initiated investigations

The Committee can also initiate Code investigations without needing a complaint to act as a trigger. Such investigations are mainly used to identify and assess:

- whether non-compliant behaviour identified through case investigations is systemic, either across an organisation or the industry in general;
- the presence of non-compliant behaviour that may not have been identified by the Mutuels' internal compliance monitoring systems or their ACS; and
- potential or emerging compliance risks in relation to compliance with the Code that may affect a number of Mutuels and their members.

During the reporting period, the Committee undertook no self-initiated investigations.

Engaging

The Committee aims to share its experience of Code compliance in order to influence the improvement of service standards across Mutuels and raise awareness of good industry practice. To achieve these aims, the Committee:

- tests common industry practices; and
- publishes case outcomes, reports, research papers and other educational material.

Publications

During the reporting period the Committee published or re-published:

- editions [7](#), [8](#), [9](#) and [10](#) of the Committee's bulletin 'Accomplish';
- the Committee's '[Follow up Direct Debit Report](#)';
- the Committee's '[Code Training Report](#)'; and
- various [media releases and reports](#) from Abacus, APRA and the ASIC on issues relating to Mutuals.

On-site Field Visits

The Secretariat aims to conduct a field visit of 20% of Mutuals annually, over a 5 year cycle. Since the inception of the Code, 39 visits have been conducted. As outlined in the table 2 below, in the 2011-12 period, 19 Mutuals engaged in the field visit program.

The visits focused primarily on providing Mutuals with an overview of the Committee's operations, verifying the information provided by the Mutual in the ACS program and discussing and providing feedback on any areas of compliance improvement and training required by the Mutual.

Table 2: Program of onsite visits for Mutuals between 2009/10 and 2012/13 (proposed)

	2009/10	2010/11	2011/12	2012/13 (proposed)	
Total number of Mutual head offices	individual visits	individual visits	individual visits	group presentations	individual visits
ACT	2	-	1	-	
NSW	49	1	3	9	2 3
Qld	13	-	2	3	1 1
SA/NT	6	-	-	2	1 1
Tas	1	-	-	-	
Vic	21	10	3	4	2 3
WA	3	-	-	1	2
TOTAL	95	11	9	19	6 10

The objectives of the field visit program will remain the same in 2012-2013, namely:

1. to conduct individual on-site visits for those Mutuals that are identified from Code monitoring activities to be at greater risk of non-compliance and provide specific feedback regarding possible areas for improvement;
2. to verify the accuracy of information provided by Mutuals in their responses to Code monitoring activities and in particular the ACS program;
3. to facilitate information exchange between the Committee and Mutuals to assist in improving the level of Code compliance monitoring across the industry;
4. to raise awareness about Code obligations and good industry practice;

5. to assist Mutuals with how to comply more broadly with their Code obligations; and
6. to exchange information about emerging Code compliance risks.

The first two objectives are more commonly met during individual face to face meetings and/or teleconferences with particular Mutuals. Group discussion meetings and presentations can be used to meet the remaining four objectives.

Stakeholder engagement

The Committee and Secretariat met on a regular basis with relevant stakeholders, such as [Abacus](#), the Financial Ombudsman ([FOS](#)), the Credit Ombudsman Service Limited ([COSL](#)), the Australian Securities and Investments Commission ([ASIC](#)), Consumer Federation Australia ([CFA](#)) and Financial Counselling Australia ([FCA](#)).

The Committee and Secretariat also participated in the Abacus National Conference in Cairns in October 2011.

Future Outlook

During the 2012-2013 reporting year the Committee will continue to work closely with its key stakeholders to improve code compliance and industry standards of practice and service. Some of the Committee's proposed projects for this period are outlined below.

Onsite Field Visit Program

The Committee is conscious that the on-site field visit program must make the most efficient use of the secretariat resources and staff. Some flexibility is needed in the program to facilitate interaction with remote Mutuals via teleconference. The Committee will also make more efficient use of existing Mutuals' networking groups and their communication channels to deliver the program and to raise awareness of Code compliance matters and the Committee's operations via group presentations and webinars.

Code Training

Following the publication of the Code Training Report in 2012, the Committee continues to welcome any feedback from the industry regarding the Report. The Committee will also be liaising with Abacus regarding any feedback received for future Code training modules.

Breach Management and Reporting Guidelines

Given the diversity in both the content and quality of breach and complaint registers submitted with the 2012 ACS, the Committee will consult with industry about development of guidelines and benchmarks for effective monitoring, reporting and management of Code breaches.

Stakeholder engagement

The Committee is committed to further improving its liaison and collaboration with key stakeholders in order to achieve its stated objectives to promote compliance with the Code and to assist Code subscribers to meet the standards of good industry practice envisaged by the Code. To achieve this, the Committee aims to continue its consultation with industry and stakeholders before issuing guidance and recommendations on industry practice.

Monitoring

In relation to its monitoring activities for 2012- 2013, the Committee proposes to:

- continue to consult with the industry, with particular emphasis on the delivery of the 2012-2013 ACS;
- obtain feedback from Mutuels and Abacus in relation to the ACS content and format;
- focus on the breach identification, monitoring and rectification by Mutuels and the assessment of code breach registers; and
- review the extent to which Mutuels comply with Key Promise 5 and part D, Section 24, of the Code (financial difficulty) as a result of concerns voiced by consumer groups and other key stakeholder groups.

Engaging

In relation to its engagement activities for 2012 - 2013, the Committee proposes to continue to share its experience through the release of reports and updates on its website.

Review of Code

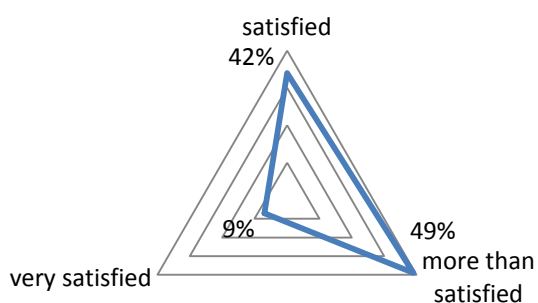
The Committee has registered its strong interest in sharing its experience of code compliance and monitoring and providing assistance to Abacus and the Independent Code Reviewer, once appointed, during the upcoming review of the Code.

Feedback regarding the Committee's services

In the 2011-2012 ACS, the Committee sought feedback from Mutuals about the quality of services provided by both the Committee and the Secretariat, and the effectiveness of the Annual Work Program. All responses were rated on a scale of one (1) to five (5), with one (1) representing 'not satisfied' and five (5) representing 'very satisfied'.

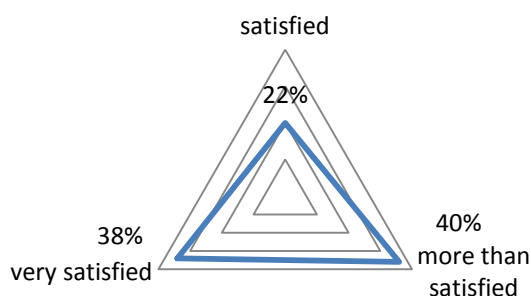
Overall, the Committee has been very encouraged by the positive feedback received to date, but will continue to seek new and improved ways of increasing awareness of its role and work program across all stakeholder groups.

Graph 10: Survey of overall monitoring work undertaken by the CCC in 2011-12



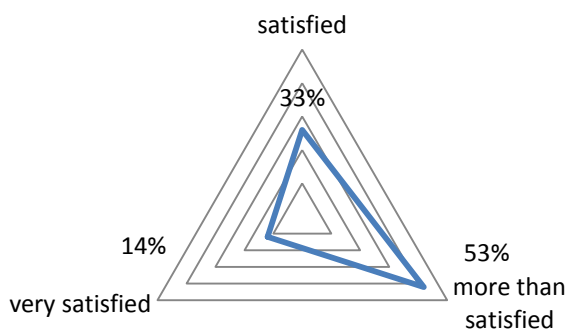
58% of Mutuals were more than satisfied or very satisfied with the Committee's work, giving a rating of four (4) or more in 2011-12. This compares to 39% in the period 2010-2011.

Graph 11: Survey of professionalism of the Code Administrator's staff in 2011-12



78% of Mutuals were more than satisfied or very satisfied with the professionalism of Code staff, giving a rating of four (4) or more in 2011/12. This compares to 55% in the period 2010-2011.

Graph 12: Survey of quality of publications in 2011-12



67% of Mutuals were more than satisfied or very satisfied with the quality of the CCC's publications, giving a rating of four (4) or more in 2011/12. This compares to 49% in the period 2010-2011.

Attachment A: Code Subscribers as at 31 October 2012

Note: The decrease in the number of Code subscribers to 95 (in comparison to 99 as at 31 October 2011) is due to a series of mergers and acquisitions within the industry during the relevant period.

Alliance One Credit Union Ltd
Allied Members Credit Union Ltd
Australian Central Credit Union Ltd
Australian Defence Credit Union Limited
AWA Credit Union Ltd
Bankstown City Credit Union Ltd
Berrima District Credit Union Ltd
Big Sky Building Society Ltd
CAPE Credit Union Ltd
Central Murray Credit Union Ltd
Central West Credit Union Limited
Circle Credit Co-operative Limited
Coastline Credit Union Ltd
Collie Miners Credit Union Ltd
Community Alliance Credit Union
Community CPS Australia
Community First Credit Union Limited
Community Mutual Ltd
Country First Credit Union Limited
Credit Union Australia Ltd
Credit Union SA Limited
Defence Bank
ECU Australia Ltd
EECU Limited
Encompass Credit Union Ltd
Family First Credit Union Limited
Fire Brigades Employees' Credit Union
Fire Service Credit Union Ltd
Firefighters & Affiliates Credit Co-operative Limited
First Choice Credit Union Ltd
First Option Credit Union Limited
Fitzroy & Carlton Community Credit Co-Op Ltd
Ford Co-operative Credit Society Limited
Gateway Credit Union Ltd
Goulburn Murray Credit Union Co-Operative Ltd
Greater Building Society Limited
Heritage Bank Limited
Heritage Isle Credit Union Ltd
Holiday Coast Credit Union Ltd
Horizon Credit Union Ltd
Hume Building Society Limited
Intech Credit Union Ltd
Laboratories Credit Union Limited
Latvian Australian Credit Cooperative Society Ltd
Lysaght Credit Union Ltd
Macarthur Credit Union Ltd
Macquarie Credit Union Ltd
Maitland Mutual Building Society Ltd
Manly Warringah Credit Union Limited
Maritime Mining and Power Credit Union
MCU Limited
mecu Limited
My Credit Union Limited
Newcom Colliery Employees Credit Union Ltd
Northern Inland Credit Union Ltd
Nova Credit Union Limited
Old Gold Credit Union Co-operative Ltd
Orange Credit Union Limited
Police and Nurses Limited
Police Association Credit Co-operative Limited
Police Credit Union Limited
Pulse Credit Union Ltd
Qantas Staff Credit Union Ltd
QT Mutual Bank Limited
Quay Credit Union Ltd
Queensland Country Credit Union Limited
Queensland Police Credit Union Ltd
Queensland Professional Credit Union Ltd
Queenslanders Credit Union Limited
Railways Credit Union Ltd
RTA Staff Credit Union Limited
Select Credit Union Limited
Service One Credit Union Ltd
SGE Credit Union Limited
Shell Employees' Credit Union Ltd
South West Credit Union Co-operative Ltd
South West Slopes Credit Union Ltd
Southern Cross Credit Union Ltd
Summerland Credit Union Limited
Sutherland Credit Union Ltd
Swan Hill Credit Union Limited
Tartan Credit Union Ltd
Teachers Mutual Bank Limited
The Broken Hill Community Credit Union Ltd
The Capricornian
The Gympie Credit Union Ltd
The Police Department Employees' Credit Union Ltd
The University Credit Society Ltd
Traditional Credit Union Ltd
Transcomm Credit Co-Operative Ltd
Victoria Teachers Mutual Bank
Warwick Credit Union Ltd
WAW Credit Union Co-operative Ltd
Woolworths Employees Credit Union Limited
Wyong Council Credit Union Ltd

Attachment B: Definitions

In this Report, and unless otherwise stated:

Abacus	means Abacus - Australian Mutuals Limited.
ACS	means Annual Compliance Statement as specified in section E18 of the Code.
Annual Report	means this report as specified in section 14 of the Constitution of the Mutual Banking Code Compliance Committee Association.
APRA	means the Australian Prudential Regulation Authority.
ASIC	means the Australian Securities and Investments Commission.
CCC	see Committee.
Code	means the Mutual Banking Code of Practice.
Committee	means the Mutual Banking Code Compliance Committee as specified in section 4 of the Constitution.
Constitution	means the Constitution of the Mutual Banking Code Compliance Committee Association.
COSL	means the Credit Ombudsman Service Limited.
EDR Scheme	means an External Dispute Resolution scheme to which a Code subscribing Mutual belongs and whose jurisdiction encompasses obligations addressed by the Code. These schemes are the Credit Ombudsman Service Limited and the Financial Ombudsman Service.
FOS	means the Financial Ombudsman Service.
IDR Scheme	means the Internal Dispute Resolution scheme of a Code subscribing Mutual.
MBCCCA	means the Mutual Banking Code Compliance Committee Association as specified in section 3 of the Constitution.
Mutual(s)	means a Credit Union, Mutual Bank or Mutual Building Society member of Abacus that subscribes to the Code.
RBA	means the Reserve Bank of Australia.

Note: Items marked in green contain active hyperlinks to websites where further information can be found.

Attachment C: Comparative table of self reported Code breach data for the reporting years 2010-2012

Group	Code category	2010		2011		2012	
General	Key commitments (C1, C2, C7, C8, C9)	23	16%	126	30%	42	12%
	Provision of general information (D2, D19)	8	6%	7	2%	29	8%
Disclosure	Interest rates, fees and charges (D3, D5)	24	17%	14	3%	27	7%
	Terms and conditions (T&C) and changes to T&C (C3, D4, D17)	6	4%	24	6%	6	2%
Provision of mutual service	Account access and suitability (D13, D16.4)	1	1%	5	1%	4	1%
	Account combination (D26.4)	3	2%	0	0%	0	0%
	Direct debits (D20)	3	2%	15	4%	28	8%
	Chargebacks (D21)	0	0%	8	2%	0	0%
	Payment instruments (D23.8, D23.9, D23.10, D23.11, D23.12)	1	1%	12	3%	1	0%
	Statements of account (D16)	6	4%	11	3%	10	3%
Provision of credit	Credit assessment (C4, D6, D7)	2	1%	9	2%	3	1%
	Financial difficulties (C4, D24)	0	0%	0	0%	3	1%
	Joint debtors, joint accounts and subsidiary cards (D9, D10, D11)	3	2%	4	1%	2	1%
	Reverse Mortgage Loans (D8)	0	0%	0	0%	0	0%
	Guarantees (D12)	2	1%	3	1%	3	1%
	Debt collection (D26)	0	0%	4	1%	1	0%
Other	Privacy and confidentiality (D23)	47	33%	81	19%	96	26%
	Advertising (C3, D1)	3	2%	12	3%	23	6%
	Closure of accounts (D22)	4	3%	3	1%	2	1%
	Communication (D15, D18, D25)	5	3%	5	1%	5	1%
	Training (C5, D14, E2)	1	1%	29	7%	28	8%
	Dispute resolution (C6, D27, D28, D29.2, D30)	1	1%	44	11%	42	12%
	Promotion of Code (C10, E1)	1	1%	3	1%	9	2%
TOTAL		144		419		364	
Number of Mutuals who reported breaches		20	23%	44	44%	50	53%
Total number of Code subscribers		106		99		95	



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