

Accomplish

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New governance structure in place.

Code subscribers to comply with revised Code by 1 July 2014.

2014/2015 Annual Workplan and Budget finalised.

New logo to be developed.

New governance structure

The Code Compliance Committee and Secretariat have been very busy since the inception of the revised Customer Owned Banking Code of Practice (the Code) to review and align our procedures and processes to the new governance structure.

We have finalised the new Charter document which will replace the former Constitution; the Service Levy Agreement between the Committee, the Customer Owned Banking Association (COBA) and the Financial Ombudsman Service (FOS); and our Privacy Policy and Investigation Procedures.

These documents will be available on [our website](#) once they have been formally approved.

We are pleased that COBA has approved our Annual Workplan and Budget for 2014/2015. Our priorities include:

- The 2015 Annual Compliance Statement (ACS) program (for all Code subscribers).
- The compliance verification program – identifying potential areas of non-compliance from an analysis of the ACS data. We anticipate about 10% of Code subscribers will take part in a desk top audit or phone conference to verify their ability to comply with Code obligations.
- One own motion inquiry to assess compliance with a specific area of Code obligation in more detail (restricted to 30 Code subscribers).
- Continued communication with stakeholders about Code compliance issues through *Accomplish* and the Annual Report.
- To assist COBA develop a new CCC Mutuals logo to reflect the revised Code’s terminology.



Positive feedback from Code subscribers via verification program.

2013 verification program: key findings

Following the 2013 Annual Compliance Statement (ACS) program, 12 Code subscribers were chosen to participate in our verification program to:

- Discuss any specific non-compliance issues reported in the 2013 ACS.
- Help us understand how organisations manage and monitor their compliance with the Code.
- Share examples of good industry practice.

Verification visits and teleconferences with Code subscribers were conducted between October 2013 and February 2014.

Key findings for Code subscribers include:

- The importance of ongoing training for staff to increase awareness of Code compliance.
- Reviewing and adjusting your compliance structures and procedures based on the size of your organisation.
- Reviewing your systems for recording and managing complaints and breaches to improve the identification and reporting process.
- Keeping track of your process to transition to the revised Code by 1 July 2014.

At the time of conducting the reviews, many participants reported that they were experiencing pressures regarding regulatory change, particularly in relation to changes to the Privacy Act.

We understand that many Code subscribers have limited resources and our intention is to enhance Code compliance capabilities progressively.

Participating Code subscribers engaged positively with the verification program, suggesting an increased awareness of the importance of Code obligations. They also appreciated feedback on how to improve their compliance and monitoring frameworks.

Thank you to all participating Code subscribers for your time and for providing valuable information through the program.

Own motion inquiry: financial difficulty

We are finalising an own motion inquiry into Code subscribers' compliance with their obligations under 'Part C Key Promise 4' and 'Part D section 24' of the Code to adequately deal with customers having difficulty meeting financial commitments.



Thirty Code subscribers of varying size and location were selected to:

- review their websites regarding availability and visibility of information related to providing assistance to customers in financial difficulties, and
- arrange a teleconference to assess their procedures, processes and staff training in regards to dealing with customers in financial difficulty via a set scenario.

We also consulted with financial advisors and consumer advocates.

The inquiry addressed issues discussed in the ASIC Financial Difficulty Roundtable meeting in February 2014, in particular:

- Whether or not simpler repayment arrangements of less than 30 days should be carved out from the legal obligations under the Credit Act.
- The operation of the hardship provisions regarding debt collection and legal action.
- Clarification about how and when a hardship notice was activated.
- Clarification around agreement of joint-debtors or guarantors to a repayment arrangement.
- The impact of reforms to the Privacy Act 1988 (Privacy Act) in relation to credit reporting and the hardship provisions.
- Different understandings and descriptions regarding long-term hardship.
- Different ways of dealing with customers in financial hardship.
- Different categories for people in financial difficulty ('can pay', 'may pay' and 'can't pay').

A summary of the inquiry will be published in July 2014.

2014 Annual Compliance Statement

The 2014 Annual Compliance Statement (ACS) will be forwarded to all Code subscribers in mid June 2014.

The format and content will be similar to the 2013 ACS and will include four sections:

- Part A seeks information about Code compliance frameworks and breach and complaints reporting and monitoring.

2014 ACS forwarded in mid June.



Important diary date:

Annual Compliance Statement due 30 September 2014.

Email:

info@codecompliance.org.au

Phone: 1300 78 08 08

Address:

PO Box 14240
Melbourne Vic 8001

Website:

www.ccmutuals.org.au

- Part B seeks information regarding how effectively Code subscribers have transitioned to the revised Code.
- Part C seeks information regarding good industry practice and a Code subscriber's overall culture to embrace Code obligations.
- Part D seeks feedback from Code subscribers regarding the completion of the ACS.

The existence of a culture of compliance is a key consideration for us when we assess your organisation's compliance with the Code. We will also assess how your organisation reviewed any non-compliance with Code obligations during the reporting period.

The completeness and accuracy of data provided in your ACS return is a critical component of our Code compliance monitoring program. Information collected from Code subscribers via the ACS is de-identified and analysed for trends and patterns, and forms an important part of our Annual Report.

The final data provides the Committee, Code subscribers and stakeholders with valuable information about levels of compliance with the Code by subscribers and the effectiveness of their Code compliance framework.

Contact us

If you have a general enquiry or want to provide feedback –

You can write to, call or email us using the details to the left.

If you have a media enquiry –

All media enquiries should be referred to Dr June Smith, Executive Manager, at jsmith@codecompliance.org.au.

Copies of the Code and information about the Code are available on [our website](#) and the Customer Owned Banking Association ([COBA](#)) website.

