

2020-21

ANNUAL REPORT



CUSTOMER OWNED BANKING
CODE COMPLIANCE COMMITTEE

August 2021

www.cobccc.org.au

About this report

The 2020-21 Annual Report sets out the activities of the Customer Owned Banking Code Compliance Committee (the Committee) throughout the reporting period 1 July 2020 to 30 June 2021.

The report focuses on the Committee's monitoring work. It will be followed by an additional report providing detailed information and analysis of the self-reported breach information and compliance data received via the Annual Compliance Statement (ACS) for the 2020-21 period.

The 2020-21 ACS Verification Program will run from July to November 2021 and the Committee expects to publish a comprehensive report of its findings in early 2022.

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Message from the Chair

I am delighted to present the 2020-21 Annual Report of the Customer Owned Banking Code Compliance Committee (**the Committee**).

Despite the challenges and uncertainty caused by the Covid-19 pandemic throughout the past year, the Committee continued to effectively monitor compliance with the Customer Owned Banking Code of Conduct (**the Code**).

The Sector

The Committee acknowledges the continuing challenges facing the customer owned banking sector as a result of COVID 19.

While the volatility of the past two years demonstrates that effective risk management frameworks are absolutely critical for organisations, so too is the need to find increasingly effective ways to support customers through challenging times.

Despite these challenges, industry research conducted over the past year indicates that the customer owned banking sector continues to be a leader in delivering customer satisfaction and service. In April 2021, Roy Morgan's [Customer Satisfaction on Consumer Banking in Australia](#)¹ reported again a high score of customer happiness with customer owned banking. One customer owned bank led the overall banking sector with a customer satisfaction rate of 95.5%. Another customer owned bank scored the highest in April at 92.7%, which saw an increase of 1.8% points in 12 months. Also recognised was another credit union ranking as the top credit union, at 86.9%, increasing 3.9% points in the past 12 months.

While the volatility of the past two years demonstrates that effective risk management frameworks are absolutely critical for organisations, so too is the need to find increasingly effective ways to support customers through challenging times.

Investigations and Own Motion Inquiries

Investigations are a key function of the Committee, enabling us to monitor the Code compliance of customer owned banks and provide guidance on existing policies and procedures to help drive improvements in customer service.

This year we conducted 11 investigations and initiated two Own Motion Inquiries (OMI). Even where no breach is identified, OMIs, in particular, are critical in helping the Committee identify and monitor emerging issues or trends in order to provide industry with feedback on areas of concern or opportunities for improvement.

This year we conducted 11 investigations and initiated two Own Motion Inquiries (OMIs).

One of the OMIs considered this year followed on from a 2019 OMI into the sale of consumer credit insurance (CCI). While the Committee established that Code subscribers have largely stopped selling CCI, it found that most continued to manage loans with these policies attached. This inquiry investigated how subscribers dealt with customers in this situation and offered guidance on ensuring best practice when managing third party supply of CCI.

Driving Compliance

The ACS Verification Program is a key part of the Committee's role in providing guidance to Code subscribers on best practice in compliance.

¹ See <https://www.roymorgan.com/findings/8694-bank-satisfaction-csa-april-2021-202105250232>

Throughout the year, the Committee continued to collect and analyse Code subscribers' self-reported breach and complaints data received via the 2019-20 ACS and we ran a webinar to assist Code subscribers to effectively complete the materials required. Video conferences were also conducted with 25 Code subscribers as part of the ACS Verification Program and findings were published in the [Annual Data Verification Report 2019-20](#)².

Individualised Benchmark Reports were provided to all subscribers and presented high-level comparative trends that enabled Code subscribers to review their compliance outcomes against industry and sector performance.

Reports and articles

We published the outcomes of the two Own Motion Inquiries, one investigating the use of consumer credit insurance and the other providing learnings from the previous year's ACS Verification Program. We also published two *Insight* articles providing further guidance to Code subscribers.

Contributing to the Code review

The Committee continued to meet with COBA and the Code Review Advisory Committee (**CRAC**) to discuss COBA's review of the Code and COBA's proposed draft of the revised Code and Charter. We provided COBA with written feedback on the draft.

Engaging our stakeholders

The Committee continued to engage with our key stakeholders including COBA and the Code reviewer.

We also regularly met with members of the Code team and representatives of ASIC, as well as the Lead Ombudsman and case managers from the Australian Financial Complaints Authority (**AFCA**) in relation to customer owned banking issues.

This year, the Committee also increased its engagement with Code subscribers significantly, conducting video and/or telephone discussions with virtually every subscriber.

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We continued to engage with both industry and consumer bodies, and to be pro-active in addressing recommendations that arose out of the Royal Commission and the Code review, with a focus on adding value to the Code and better communicating with its intended beneficiaries.

Throughout the year, we also continued to attend and participate in a wide range of industry events, and I was pleased to personally attend the Virtual COBA Annual Convention in December 2020.

Looking ahead

Following video conferences with all Code subscribers, we will publish a detailed analysis regarding the self-reported breach and complaints data for the 2020-21 period, including an individual Benchmark Report, later in 2021-22.

In line with its purpose, the Committee will continue to *monitor Code compliance, identify systemic industry-wide issues and promote good industry practice.*

To support this, the Committee has reviewed its work plan and, in line with our Charter, will continue to focus on:

² See <https://www.cobccc.org.au/2021/05/31/annual-data-verification-report-2019-20/>

- monitoring Code compliance and sharing examples of best practice
- engaging with our stakeholders and analysing the external financial services' environment, and
- ensuring efficient and effective operations.

Our major focus will be an Own Motion Inquiry into vulnerability, looking at how Code subscribers deal with customers affected by domestic abuse, family violence and elder abuse.

I also plan to meet with CEOs of selected Code subscribers to discuss this issue, as well as explore the best ways to implement and transition subscribers to the revised Code once it is released.

Our major focus will be an Own Motion Inquiry into vulnerability, looking at how Code subscribers deal with customers affected by domestic abuse, family violence and elder abuse.

Acknowledgments

I'd like to thank my Committee colleagues, Cindy Hansen and Philip Cullum, for their invaluable industry and consumer insight and their positive contributions to the Committee's work during the year.

I'm also grateful for the support of our Code team at AFCA, with our Code Compliance and Operations Manager Daniela Kirchlinde having been pivotal in delivering support to the Committee throughout the year.

On 4 March this year we were sad to see Sally Davis depart from her role as General Manager – Code Compliance and Monitoring. Rene Van de Rijdt has taken on the role of Acting General Manager. I am extremely grateful for Sally's substantial contribution during her time leading the Code team and Rene's hard work over recent months to keep the team operating until a replacement is permanently appointed.

I'd also like to extend my thanks to David Locke, AFCA's Chief Executive Officer, and Evelyn Halls, AFCA's Lead Ombudsman Banking and Finance.

Finally, I wanted to acknowledge our key stakeholders from the Customer Owned Banking Association – in particular, Chief Executive Officer Mike Lawrence and Chair Elizabeth Crouch AM.

I look forward to continuing to work constructively with all our stakeholders throughout 2021-22.



Jocelyn Furlan
Independent Chair
Customer Owned Banking Code Compliance Committee

A snapshot of the customer owned banking industry

Collectively, the customer owned banking sector:³



Code subscribers

At 30 June 2021, there were 57 Code subscribers (with 698 branches). Subscribers are categorised according to the value of assets they manage. A current list of Code subscribers is available on the Committee's website⁴.

Chart 1: Code subscribers by category according to value of \$ assets

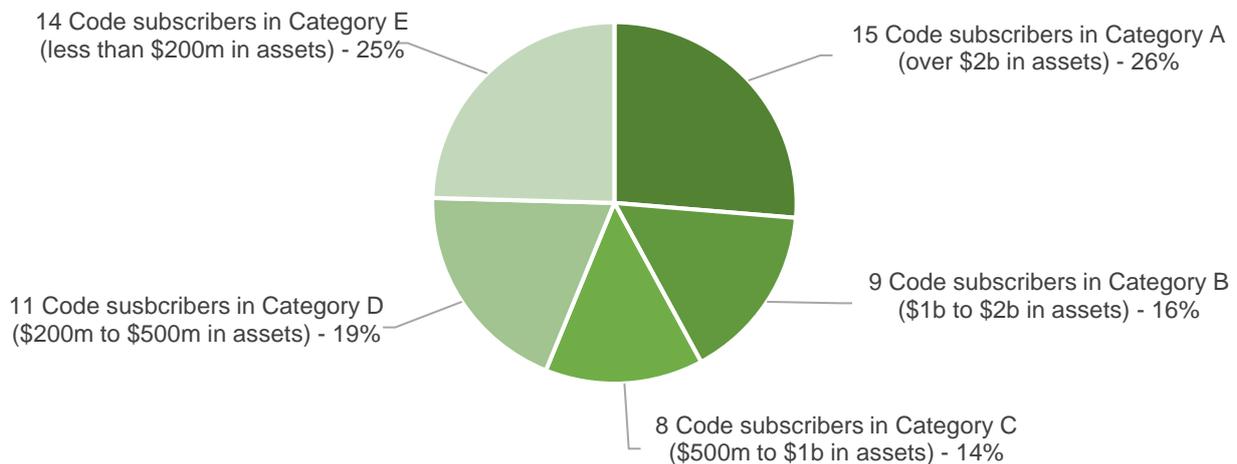


Table 1: Category of Code subscribers by number of branches per state

	ACT	NSW	NT	Qld	SA	Tas	Vic	WA	TOTAL
Category A (over \$2b in assets)	17	166	8	135	43	0	44	31	444
Category B (\$1b to \$2b in assets)	0	74	1	4	9	0	8	2	98
Category C (\$500m to \$1b in assets)	0	31	0	6	0	8	10	0	55
Category D (\$200m to \$500m in assets)	0	29	0	14	1	0	13	1	58
Category E (less than \$200m in assets)	0	18	14	1	1	0	9	0	43
TOTAL	17	318	23	160	54	8	84	34	698

³ See www.customerownedbanking.asn.au and [quarterly APRA statistics](#) March 2021

⁴ See <https://www.cobccc.org.au/code-of-practice/code-register/>

Investigations and targeted inquiries

The Committee has discretionary powers to investigate an allegation that a Code-subscribing customer owned bank has breached its obligations under the Code.

Anyone can report a concern that a customer owned bank may have breached the Code. The Charter⁵ and the Code empower the Committee to investigate allegations that a subscriber has breached the Code and also undertake its own inquiries, referred to as 'Own Motion Inquiries', which do not depend on a specific allegation being made.

What can be investigated

While the Committee cannot consider claims for compensation and loss, it can initiate Code investigations without requiring an individual breach allegation to act as a trigger. These investigations are mainly used to identify and assess:

- whether a breach has occurred and its extent
- the broader and potential impacts of a breach
- the effect of non-compliance on the customer owned banking Code subscriber and its customers
- the root cause of the breach and whether it may be systemic or significant, and
- any remedial action proposed or taken by the customer owned banking Code subscriber.

While every investigation is unique, each aims to examine whether subscribers complied with the Code, and, if not, to sanction subscribers and/or make recommendations about future practice.

During an investigation

During Committee investigations into any alleged Code breach, subscribers are expected to positively engage with the Committee as it thoroughly reviews the incident to assess if it constitutes a breach of the Code.

After an investigation

Following a confirmed and/or determined Code breach, the Committee expects Code subscribers to:

- report the breach in their breach register
- report the breach to executive management
- identify all customers potentially affected by the events
- assess if the breach is systemic and/or significant
- take remedial action to address the cause of non-compliance
- review and enhance processes and procedures, and
- train staff and authorised representatives accordingly.

During Committee investigations into any alleged Code breach, subscribers are expected to positively engage with the Committee as it thoroughly reviews the incident to assess if it constitutes a breach of the Code.

⁵ The Charter governs the relationship between the Committee and the COBA Board. Together with the Code, it sets out the terms under which the Committee operates, for the purpose of exercising its powers, functions and duties.

Own Motion Inquiries

Under its Charter, the Committee may conduct an Inquiry on its own motion solely for the purpose of monitoring one or more Code subscribers' compliance with the Code. The objective of these inquiries is to identify and monitor emerging industry issues, alert the industry of these trends and provide recommendations for review and improvement of industry practice.

The Committee published the findings of two inquiries during 2020-21.

Follow-up inquiry regarding sale of consumer credit insurance (CCI)⁶

This was a follow-up inquiry into consumer credit insurance showing that, while customer owned banking institutions have stopped selling this add-on product, they still have a duty to their customers when it comes to managing loans with active policies and providing referrals to insurance providers.

Background

CCI is sold with loans to cover inability to make repayments in the event of a loss of job, illness, injury or death, with the cost of CCI premiums usually added to the loan.

Add-on insurance products, particularly CCI, have attracted widespread criticism for poor sales practices, driven by high commissions, and for providing little value to consumers.

In 2019, the Committee conducted an Own Motion Inquiry into the sale of CCI by Code subscribers, finding that 92% were selling CCI. A follow-up inquiry conducted in late 2020 and early 2021 aimed to determine whether subscribers had implemented the recommendations made in the September 2019 report.

From the information collected via a questionnaire sent with the 2020 Annual Compliance Statement, it became apparent that all Code subscribers had ceased selling CCI. However, most continue to manage loans with CCI policies attached, while a small number provided referrals to CCI providers (in some cases, receiving a commission if the customer takes out a CCI policy).

This changed the nature of the Committee's follow-up inquiry, with the focus shifting to how Code subscribers managed customer loans with CCI cover attached to them, as well as how those subscribers who provide referrals to CCI providers ensured they were managing the process appropriately and in line with their Code obligations.

Key findings

Based on analysis of information provided by subscribers, the report found the following:

- The number of loans covered by active CCI policies ranged from four to 70,000. Most Code subscribers noted that active CCI policies would cease sometime within the next five years, once the loans to which they were attached were paid off.
- All Code subscribers monitor complaints to detect any CCI-related issues and 84% provide their staff with training about CCI.
- Only two subscribers have any involvement in handling customer's claims on CCI policies – for all other subscribers, the insurance provider is responsible for claims handling.
- Almost a quarter of Code subscribers were unable to provide any details about their customers' active CCI policies, explaining that once the CCI product had been purchased

⁶ See <https://www.cobccc.org.au/app/uploads/2021/06/COBCCC-OMI-CCI-Follow-Up-June-2021.pdf>

by the customer, responsibility for all queries, claims and complaints relating to the policy fell to the insurance provider.

Guidance

Based on the findings, the Committee offered the following guidance:

- Whilst the inquiry noted that the insurer, not the Code subscriber, is responsible for handling CCI-related claims and the majority of CCI-related complaints, the Committee expects Code subscribers to have a working knowledge of the CCI policies attached to their customers' loans by seeking regular updates from the insurer about the policy status. Analysis of customer complaints or cancellation of CCI cover provides Code subscribers with an opportunity to investigate whether they sold a CCI product inappropriately. If so, this would indicate a breach of the Code.
- The report notes that the Committee also considers it good practice for Code subscribers to proactively remind customers with CCI attached to a loan that they have the policy and may be able to make a claim via the insurer, particularly in instances where the subscriber discovers that the customer may be experiencing financial hardship or is struggling to make their loan repayments.
- The report reminds Code subscribers providing referrals to CCI providers in relation to possible sales of CCI that, although they may not be selling or distributing CCI directly, they are still required under section D13.1 of the Code to ensure that the provider and its products and services are reputable. Code subscribers should familiarise themselves with the insurer's CCI product to ensure that it will be useful, reliable and of value to their customer before any referral is made.
- The Committee urges subscribers to read the report carefully and implement relevant recommendations. It is important that subscribers do not let the fact that they no longer offer CCI prevent them from doing the right thing by those customers still holding active policies.

2019-20 Annual Compliance Statement Data verification⁷

This Report supplements the summary data published in the Committee's Annual Report in December 2020⁸. It contains an analysis of the self-reported data collected in the 2019–20 ACS and of the Committee's subsequent in-depth discussions with 25 subscribing customer owned banking institutions.

The Report outlines the Committee's observations about Code compliance during a year marked by devastating natural disasters and a global pandemic. It also provides important recommendations and shares useful examples of better practice.

Background

In previous years, analysis of ACS data and information gathered in subscriber surveys appeared in the Committee's Annual Report. In 2019-20 the Annual Report contained summary data, with the full analysis published in this supplementary ACS Verification Report.

⁷ See <https://www.cobccc.org.au/app/uploads/2021/05/COBCCC-2019-20-ACS-verification-data-Report-31May2021.pdf>

⁸ See <https://www.cobccc.org.au/2020/12/02/customer-owned-banking-code-compliance-committee-releases-annual-report-for-2019-20/>

Separate publication of the detailed findings gives the Committee the time and scope to explore the background, context and practicalities underlining breach and complaint data collected in the ACS and associated issues to deepen the understanding of day-to-day practices and to provide greater insight into how customer owned banking institutions can best respond to the consumer protections enshrined in the Code.

There was some subscriber confusion about ACS terms and requirements, which sometimes led to errors in reporting and over-reporting. The Committee has worked to refine its ACS instructions in response.

This year's verification process included detailed discussions with 25 subscribing institutions – close to half of all Code subscribers and the most ever canvassed.

Purpose

With the release of a revised Code imminent, the Committee urges subscribers to use the Report and its examples and guidance as a catalyst to examine and assess their Code compliance obligations.

Findings

Key observations from the Inquiry include:

- **Connection between reported breach numbers and solid compliance frameworks:** Analysis highlighted a link between high levels of self-reported Code breaches and the possession of solid compliance frameworks – and, conversely, the link between low or nil breach numbers and poor frameworks. The Committee observed that higher reported breach numbers often – though not always – reflected closer monitoring of specific Code obligations and organisations willingness to investigate and learn from root causes of breaches.
- A focus in the 2019–20 ACS on **vulnerable customers** identified many subscribers working to improve in this critical area. Practical actions included increasing staff awareness, creating designated advocates, and leveraging IT systems to protect vulnerable customers from scams and fraud.
- A sharper subscriber focus on **privacy** might have contributed to more reported breaches in this area, as subscribers implemented strategies to address privacy issues, including the appointment of specific privacy officers and supporting stronger action from front-line staff.
- While the **pandemic** presented challenges for business continuity, this sector's close relationship with its customers often came to the fore, with many subscribers adopting a **highly personalised approach**. The Committee encourages subscribers to maintain this focus in the future.

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Investigations of alleged Code breaches

In 2020-21 the Committee conducted 11 investigations concerning alleged breaches of the Code, seven were new matters and four were outstanding matters received in the previous period. While the Committee did not identify any breaches as a result of these investigations, two matters were noted for future monitoring.

The Committee exercised its discretion not to investigate Code breach allegations in three matters, relying on the following provisions of the Charter⁹:

- clause 8.1.1(d) – *the matter is already being dealt with by another forum or another forum is considered to be more appropriate to deal with the matter and*
- in relation to two matters - clause 8.1.1(f) – *the matters were based on the same events and facts as previous allegations made by the complainant to the Committee and there was no new information.*

Of the 11 matters investigated in 2020-21:

- eight cases related to mortgage products, with one case each relating to personal loans, privacy, and customer service.
- six cases were brought by the customer, while four were referred from AFCA’s systemic issues team and one was an own motion investigation initiative by the Committee.
- the two cases which were noted for future monitoring included issues regarding process and training in place to deal with vulnerable consumers, domestic violence and financial hardship.

Six matters remained open as at 30 June 2021.

Further detail about the eleven matters investigated is available in **Table 2**.

Table 2: Details of investigations

Details as at 30 June 2021	Number of investigations
Total Investigations	
Open investigation matters as at 30 June 2020	4
New investigation matters received during 2020-21	7
Status of Investigations as at 30 June 2021	
Closed as at 30 June 2021	5
Open as at 30 June 2021	6 ¹⁰
Status of open Investigations as at 30 June 2021	
Pending response from customer	1
In assessment status	-
In decision status	1
On hold – awaiting outcome of AFCA investigation ¹¹	4

⁹ See <https://www.cobccc.org.au/app/uploads/2016/01/COBCCC-Charter-Feb-2014.pdf>

¹⁰ One matter has since been closed in August 2021 as the customer did not a privacy authority to enable the Committee to investigate the matter.

¹¹ See Clause 8.1.1 (b) of the Charter.

Details as at 30 June 2021		Number of investigations
Age status of open Investigations as at 30 June 2021		
	Under 30 days since registration	1
	30 to 60 days since registration	2
	More than 60 days since registration	3
Source of Investigations		
	Direct contact by customer	6
	Referral from AFCA systemic issue team	4
	Own motion investigation initiated by the Committee	1
Provisions of the Code investigated¹²		
	Key Promise 1 'We will be fair and ethical'	1
	Key Promise 2 'We will focus on our customers'	1
	Key Promise 4 'We will be responsible lenders'	4
	Key Promise 5 'Deliver high customer service'	2
	Key Promise 6 'Deal fairly with any complaints'	4
	Section D11 'Safeguards for co-borrowers'	1
	Section D23 'Information privacy and security'	2
	Section D24 'If you are in financial difficulties'	4
	Section D27 'Prompt. Fair resolution of complaints'	2
	Section D28 'Our complaints handling process'	2
Types of products, services and/or issues involved in Investigations (where identified)		
	Mortgage	8
	Personal Loan	1
	Privacy issue (no specific product identified)	1
	Customer service (no specific product identified)	1
Outcome of the closed Investigations		
	No breach identified, but noted for future monitoring	2
	Clause 8.1.1 (d) of the Charter prohibits the Committee to consider the matter (<i>matter is already being considered by another forum which the Committee considers to be a more appropriate forum to consider the matter</i>)	1
	Clause 8.1.1 (f) of the Charter prohibits the Committee to consider the matter (<i>matter is based on the same events and facts as a previous matter by the complainant to the Committee, and there was no new information</i>)	2

¹² Some investigations included more than one provision of the Code.

Promoting improved industry practice

The Committee engages with stakeholders to analyse the external financial services environment, share knowledge of and insights into Code compliance, and influence positive changes in industry conduct.

This work includes empowering consumers to access their rights under the Code, supporting Code subscribers to comply with the Code, and providing Code training to help industry and consumers understand and uphold their rights and responsibilities under the Code.

Contribution to the Code review

Throughout 2020-21, the Committee continued to write to and consult with COBA and the Code Review Advisory Committee to provide its views on the indicative draft of the Code and Charter, specifically in relation to the Committee's role and powers.

The Committee awaits further advice from COBA regarding the progress on the Code review and looks forward to continuing to engage with stakeholders to deliver a revised Code, support the Code subscribers as they transition to the revised Code, and implement any changes to the Committee's role under the revised Code and its Charter.

Self-reported breach and complaints data

Assessing customer owned banking institutions' compliance with the Code is a key element of the Committee's monitoring activities. As part of this process, Code-subscribing customer owned banking institutions self-report Code breaches and complaints to the Committee via the ACS. The information received from subscribers about how and why they have breached the Code helps the Committee identify current and emerging risks, as well as provide guidance on good industry practice.

This year's ACS Verification Program will include video conferences with all 57 Code subscribers. A detailed analysis of the self-reported data will be used to help identify any emerging risks and trends in compliance and draw out examples of good industry practice. The report will be published later in 2021-22.

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Stakeholder engagement

The Committee continued to engage with Code subscribers, industry, regulators and consumer advocates throughout 2020-21, including regular meetings with executive staff and Lead Ombudsmen from AFCA, and representatives from ASIC and Financial Counselling Australia throughout the year.

The Committee also continued to meet and work with the leadership team of COBA, including both the Chief Executive Officer and Chair.

In addition, the Committee welcomed a representative of the Consumer Credit Legal Service (WA) Inc to attend a Committee meeting as an observer, as part of a new mentoring program established by the Consumers' Federation of Australia to expand the pool of candidates ready to serve as consumer members of various code committees.

All Code subscribers were provided with individual benchmark reports, which presented insights on the compliance framework and culture to enable subscribers to review their compliance outcomes

against industry and sector performance. The Committee also provided Code subscribers with guidance, via its *Insight* articles, fact sheets, and Own Motion Inquiry reports published on the Committee's [website](#) throughout the year¹³.

Insights

The Committee developed a number of short articles through its breach investigations and engagement with stakeholders throughout the year, which provide formal guidance on issues of Code interpretation.

September 2020 – *Investigations can be a learning tool*¹⁴

While a recent investigation into a Code breach allegation about privacy found that the Code had not been breached, the Committee identified a number of areas which might be of interest to Code subscribers seeking to achieve good practice.

Given the ongoing restrictions to travel and in-person gatherings as a result of the pandemic, opportunities to take part in industry conferences and events over the past year were dramatically reduced. As a result, members of the Committee attended fewer events than in previous years, but were pleased to participate in a number of key industry conferences in 2020-21, including:

- Virtual Credit Law Conference in October 2020
- Virtual COBA Consumer Forum in October 2020
- Virtual COBA Convention in December 2020
- Financial Counsellors Association (FCA) National Conference, Darwin in May 2021

¹³ See <https://www.cobccc.org.au/news-and-publications/>

¹⁴ See <https://www.cobccc.org.au/2020/09/01/investigations-can-be-a-learning-tool/>

About the Committee

The Committee is an independent compliance monitoring body established in accordance with Part E of the Customer Owned Banking Code (**the Code**), under the authority of COBA.

The Committee Charter (**the Charter**) provides for the Committee to undertake the following functions:

- monitor compliance by Code subscribers with the Code
- investigate allegations of breaches of the Code and make determinations
- conduct own motion investigations
- provide guidance on compliance with the Code to Code Subscribers, and
- publish an Annual Report on its activities, including information as per clause 13.1 of the Charter.

Committee Members

The Committee comprises three members – an independent Chair, an Industry Representative and a Consumer Representative. In 2020-21, the Committee met formally six times and members also held meetings with COBA, regulators, ombudsmen and consumer advocates. The Committee Chair also meets with COBA’s Chair, Directors and CEO from time to time.

Compliance Manager

AFCA provides Code monitoring and administration services to the Committee and COBA, by agreement. AFCA has appointed a dedicated team of staff (Compliance Manager) within its office to undertake that task.

What drives the Committee

Chart 2 below sets out the Committee’s principles, purpose, objectives and desired outcome.



The Committee members

The Committee comprises three members – an independent Chair, an Industry Representative and a Consumer Representative.

Jocelyn Furlan - Independent Chair

B.Com LL.B. GAICD

Appointed: 19 February 2019 **Term expires:** 19 February 2022 (first term)

Jocelyn is Principal of Furlan Consulting, a non-executive director of Financial Counselling Australia and Aware Super, and Chair of the Board of Strathcona Baptist Girls Grammar School. She is also a member of Vanguard Investment Australia Ltd's External Compliance Committee, and a director of Sport and Life Training Ltd (SALT).



She was the Chairperson of the Superannuation Complaints Tribunal for eight years from 2007 until March 2015. Since April 2015 she has provided consulting services, principally in the area of dispute resolution, including to the Commonwealth Bank of Australia's financial advice remediation programs. Jocelyn has more than 30 years' experience in superannuation and remains passionate about empowering Australian consumers in their financial affairs. She holds degrees in both law and commerce, is a graduate of the AICD and a member of numerous superannuation industry associations.

Cindy Hansen - Industry Representative

LL.B (Hons), F FIN, GAICD

Appointed: 1 January 2020 **Term expires:** 31 December 2022 (first term)

Cindy is the General Counsel & Company Secretary for Qudos Bank and has more than 25 years' experience in the finance industry, specialising in legal, compliance, and governance in retail banking and consumer finance. She also holds voluntary positions within the mutual and financial services sectors, including as an Elected Councillor for HCF, a Director of the Australian Finance Industry Association (AFIA) and a member of the FINSIA Retail and Business Banking Industry Council.



Cindy holds a law degree, a graduate diploma in finance and investment, and is a graduate of the Australian Institute of Company Directors. She is proud to be a signatory to the Banking & Finance Oath.

Philip Cullum - Consumer Representative

LL.B (Hons), LL.M, GAICD, FRSA

Appointed: 29 February 2020 **Term expires:** 28 February 2023 (first term)

Philip is a highly experienced consumer advocate and regulator in Australia and the UK. He is the founder of Consumer-wise Consulting, which advises on regulatory strategy, governance, engagement and consumer policy. He is a Board member of the Consumer Action Law Centre and Consumers' Federation of Australia, and a Panel member at the Australian Financial Complaints Authority.



Philip was a senior advisor to the Australian Energy Regulator in 2017-20. He was previously at the Australian Competition and Consumer Commission, on secondment from Ofgem (the UK energy regulator) where he was the Consumers and Sustainability Partner. He was appointed by the UK Government to its Better Regulation Commission, Risk and Regulation Advisory Council, and Regulatory Policy Committee. Philip held senior roles at several UK consumer organisations, and he chaired or was a member of consumer panels and advisory committees in financial services, food safety, aviation and water.

The Compliance Manager

AFCA provides Code monitoring and administration services as Compliance Manager to the Committee and COBA by agreement. AFCA has appointed a dedicated team of staff (the Code Team) within its office to undertake that task.

René Van de Rijdt

Acting General Manager, Code Compliance and Monitoring Investigation Manager

LLB, BPD

Appointed: 5 March 2021 - current

René van de Rijdt has been the Acting General Manager – Codes at AFCA and Acting CEO of the Banking Code Compliance Committee since March 2021. In this role, René leads the strategic direction and operational management of the Code team, ensuring delivery of its compliance and monitoring obligations for relevant industry associations and five independent Code Compliance Committees across the banking, customer owned banking, general insurance, life insurance, and insurance broking industries.

René has worked in the Code team since 2017, initially as the Code Compliance Investigations Manager, 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.



Sally Davis

General Manager, Code Compliance and Monitoring

GAICD, B.Comm, LLB, Grad Dip (Arts)

Appointed: September 2015 – 4 March 2021

Sally Davis was General Manager – Codes at AFCA and CEO of the Banking Code Compliance Committee until March this year.

Sally had worked at AFCA and its predecessor schemes, since 2000 and was previously Senior Manager of Systemic Issues at the Financial Ombudsman Service (FOS). Sally has extensive experience in the financial services industry, as well as good relationships with regulators, industry and consumer groups.



Daniela Kirchlinde

Code Compliance and Operations Manager

B.Comm, Grad Dip (Finance and Investment)

Appointed: October 2009 – current

In addition to this role, Daniela also manages compliance for the Insurance Brokers Code of Practice. Prior to her current role, Daniela had worked as Complaints and Compliance Manager at AFCA and its predecessor schemes since 1995.

Daniela has a background in dispute resolution and broad insurance industry experience in Australia, England and Germany. She holds a Bachelor of Commerce from the Cologne University (Germany) and a Graduate Diploma in Finance and Investment from the Australian Securities Institute Melbourne.



About the Code

The Code sets standards of good industry practice for the 57 Code subscribers¹⁵ that have agreed to comply with its provisions when dealing with current and prospective individual and small business customers. By subscribing to the Code, customer owned banking Code subscribers have voluntarily committed to uphold good industry practice, promote informed decision-making about their services, and act fairly and reasonably in delivering those services.

The Code is owned and published by **COBA** – the industry advocate for Australia’s customer owned banking sector – and forms an important part of the broader national consumer protection framework and financial services regulatory system.

The Code was revised on 1 July 2016 to accommodate changes made by **ASIC** to **Regulatory Guide 221** *Facilitating digital financial services disclosures* and the *e-Payments Code*. A further update was published, effective 1 January 2018.

In 2018 COBA formed a Code Review Advisory Committee made up of representatives from COBA members and Code subscribers to provide advice to COBA and help guide the review process and shape the strategic direction of the revised Code.

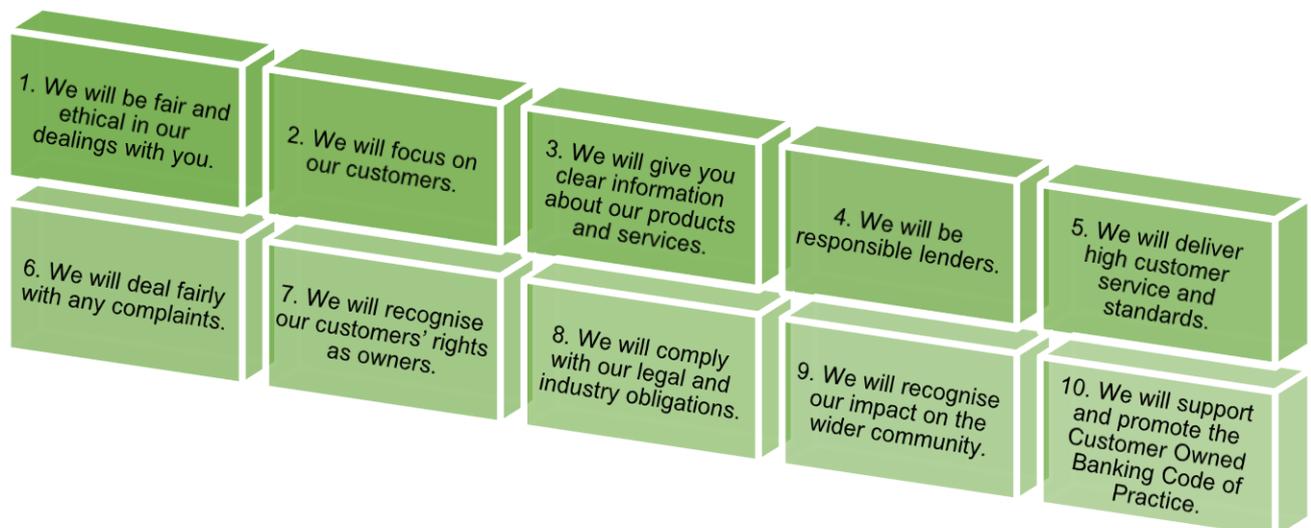
In December 2018 COBA appointed Phil Khoury¹⁶, Principal of *cameron.ralph.khoury*, to undertake an independent review of the Code, which is still ongoing.

Key promises

The Code sets out 10 key promises: general principles or values that apply to Code subscribers’ dealings with all customers, as well as the broader community. Code subscribers have committed to these key promises, which apply to all customer owned banking services delivered by Code subscribers to individuals and small business across Australia.

The Code consists of five parts. Part A, B, C and E provide the important framework of the Code. Part D includes 30 specific sections which detail how these key promises are to be delivered by Code subscribers.

Chart 3: The 10 key promises



¹⁵ Number of Code subscribers as at 30 June 2021

¹⁶ See <http://www.customerownedbanking.asn.au/consumers/cobcop/cobcop-review>

Financial details

Customer Owned Banking Code Compliance Committee financial details for the period 1 July 2020 to 30 June 2021:

Table 2: Financial details 2020-21

	30 June 2020	30 June 2021
Staff costs		
Gross salaries (including Committee remuneration), leave provisions, Super, training and recruitment	\$262,277 ¹⁷	\$318,650 ¹⁸
Operating expenses		
Professional Assistance	\$12,570	\$21,614
Communications, Stakeholder Relations & Travel	\$9,574 ¹⁹	\$3,125 ²⁰
Technology	\$10,088	\$15,757
Occupancy and Office Costs	\$15,483	\$18,548
Total Salaries and Expenses	\$309,992	\$377,694
Total Funding from COBA	\$336,514	\$364,056
Allocated funds from previous years' operating reserve	\$0	\$20,000 ²¹
Annual Surplus/ (Deficit)	\$26,522	\$6,362

¹⁷ Based on 1.5 FTE staff, including 0.3 FTE (1.5 days/week) for the position of the Code Compliance and Operations Manager.

¹⁸ Based on 1.75 FTE staff, including 0.3 FTE (1.5 days/week) for the position of the Code Compliance and Operations Manager.

¹⁹ Reduced expenses due to COVID19 travel restrictions.

²⁰ Reduced expenses due to COVID19 travel restrictions.

²¹ \$20,000 allocated from operating reserve 30 June 2020 to reduce costs to COBA for the 2020-21 period as agreed by the Customer Owned Banking Code Compliance Committee on 5 August 2020.