



Media Release

For Immediate Release

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BETTER REPORTING BUT MORE STILL TO DO

The body charged with monitoring bank subscribers' compliance with the Code of Banking Practice has released its 2008/09 Annual Report. Titled "A time for change and review," the Report provides an overview of compliance by subscribing banks with the Code's commitments for individual and small business customers.

Chair of the Code Compliance Monitoring Committee (CCMC), Mr Brian Given said: *"Whilst our Report shows that there has been a significant increase in the number of Code breaches identified, the Committee considers this reflects greater attention to breach monitoring and reporting by the banks rather than any underlying increase in non-compliance. We think that this is a good outcome as it demonstrates the importance the banks attach to compliance with the Code,"*

Privacy related breaches accounted for 50% of the total breaches in 2008/09. These are typically one-off failures by bank staff to identify customers prior to the provision of customer information. The high number reflects specific action by some banks to closely monitor the issue. The CCMC has been advised by the banks they have taken initiatives to address the breaches.

In addition to examining complaints about breaches of the Code, in the period covered in the Report the Committee conducted a number of compliance reviews in relation to provisions of the Code. Of particular significance was the review of direct debits, which concluded in March 2009.

"The review found a level of non-compliance by Code subscribing banks in handling and processing customer requests to cancel direct debit arrangements. Importantly, we are working with the Banks to improve this situation for consumers," Mr. Given said.

A detailed report on this review, located at www.bankcodecompliance.org identifies that the banks need to give greater attention to their obligations under the Code in relation to this key requirement.

The Annual Report indicates that the Committee is generally satisfied with the level of cooperation it has received from the banks, with better self-reporting and rectification of code breaches when these are brought to attention.

“As noted in the Report, the recent Review of the Code and the separate Review of the Code Compliance Committee will help shape the Committee’s future operations and ensure it is well placed to continue its important role in the banking industry’s self regulatory scheme,” Mr Given said.

A copy of the Annual Report can be located at the CCMC website at www.bankcodecompliance.org. It appears as both a printed version for download or as a web-based report, where further details and statistical information is available.

Note to editors

The Code of Banking Practice is the centrepiece of the subscribing banks’ self regulatory scheme consisting of:

- 1 A commitment to comply with the principles of good banking practice set out in the Code,
- 2 Effective internal dispute resolution processes within the banks,
- 3 An accessible external dispute resolution scheme provided by the Financial Ombudsman Service, and
- 4 An independent compliance-monitoring agency – the Code Compliance Monitoring Committee.

A note about the Annual Report:

THE ANNUAL REPORT PROVIDES STATISTICS AND COMMENTARY ON THE COMMITTEE’S INVESTIGATIONS, DETERMINATIONS AND MONITORING ACTIVITIES TO PROMOTE COMPLIANCE WITH THE CODE’S GOOD BANKING PRACTICE PRINCIPLES SERVING THE INTERESTS OF INDIVIDUAL AND SMALL BUSINESS CUSTOMERS OF THE CODE SUBSCRIBING BANKS.

Media enquiries

Any media enquiries regarding the Committee’s work should be addressed to the Committee’s Chief Executive Officer Damian Paull at dpaul@fos.org.au or by telephone (03) 96137353. General information about the Committee’s work is contained on its website and in its Annual Reports.

It is the Committees practice that public comment will be limited to its role under the Code of Banking Practice. Specifically the Committee:

- 1 Can provide background on the Code, the Committee's role and aggregate information about general bank compliance (the Committee does not report on individual bank's compliance with the Code); and
- 2 Will provide comment on or explanation of issues raised in its Bulletins and Inquiry Reports published on this website.