

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS (FIFTH REPORT)

#### Westpac Banking Corporation

**WBC03QON:** Page 40

**Mr THISTLETHWAITE:** How can someone join this introducers program?

Do they have to be of a specific occupation? Do they have to have any training or qualifications to be accredited under this program?

**Mr Hartzler:** There certainly is an accreditation process...

**Mr THISTLETHWAITE:** So you don't know about NewCo?

**Mr Hartzler:** I don't off the top of my head. I'm happy to take that on notice.

**Answer:** The role of an introducer in Westpac's program is to facilitate a potential customer's referral to the bank, at which point the bank undertakes the requisite inquiries and assessment in accordance with its responsible lending obligations. Introducers do not provide financial advice to customers in relation to the referral to Westpac.

Westpac's referral program is managed under a control framework which requires introducers to come from specific industries and professions, pass due diligence checks and be accredited by Westpac before they can make referrals to the bank. Introducers are subject to contracts with Westpac which require the introducer to discharge particular duties and obligations, a breach of which may result in termination. This contract also requires the introducer to disclose to any potential customer that they are acting as an introducer to Westpac and receiving a commission. To improve this program, Westpac has started publishing clear referral guidelines to all our referral partners.

NewCo is an introducer aggregator service that assists entities to participate in introducer programs. Westpac has not outsourced its referral model to NewCo.

Westpac only accepts new referrers from NewCo through our Bank of Melbourne brand. NewCo's website implied that we accept referrers through the Westpac brand and did not accurately describe the requirements to be a paid referrer. We have asked NewCo to correct this information.