

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Australia and New Zealand Banking Group

ANZ19QON: CHAIR: It is one of the key recommendations of the royal commission—that implementing the updated code through the structure of the organisation, and then ultimately being judged against that publicly and against your peers, is a critical part...of ensuring its practical application.

Mr Elliott: I chair the ABA until the end of this year. Just given the timing, I'm not sure we've actually done a formal submission to the ABA in terms of progress. What we did agree through the ABA is that this is a binding code. If members cannot commit to signing up to the code, they cannot be a member of the ABA. But you're right: we have to go through that more formal checking process to make sure that is the case.

CHAIR: If that's the case, what's the time frame we can expect you to be doing so?

Mr Elliott: I'd have to take that on notice. I'm not sure. I'll check with the ABA.

Hansard p.35, 15 November 2019

Answer: At an industry level, compliance with the 2019 Banking Code of Practice (**Code**) is overseen by the Banking Code Compliance Committee (**BCCC**). The BCCC is an independent monitoring body established under the Code. The BCCC replaces the Code Compliance Monitoring Committee which monitored compliance with earlier versions of the Code.

The ABA has led work across its members to develop the Code and set up the BCCC, but does not play a direct role in monitoring compliance with the Code.

Each bank is required to periodically submit a 'Banking Code Compliance Statement' to the BCCC. This includes self-reporting Code breaches every six months and providing Code monitoring information and other data every 12 months. Banks will submit the first round of breach reporting under the 2019 Code in March 2020. Breach reporting will include steps taken to address breaches and customer remediation.

The BCCC has the power to conduct inquiries and has recently completed an inquiry into banks' transition to the new Code that assesses, benchmarks and reports on banks' transition projects. The inquiry, amongst other things, investigated that banks' compliance frameworks, including policies, processes and procedures, supported ongoing compliance with the Code.