

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS  
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS**

**Commonwealth Bank of Australia**

**CBA82QW: Remediation**

(a) What processes are in place for situations where the bank has identified remediation commitments but cannot find or contact the person?

b) What does the bank do with these funds?

**Answer:** (a) Where we owe money to a customer as a result of remediation and the customer has an open bank account with us that is suitable to receive compensation, we pay into that account automatically.

Where customers do not have an open, suitable account, we look at the records available to determine the most appropriate way to pay compensation. This may involve seeking payment directions from the customer, sending compensation to a customer's bank account at another financial institution (where CBA holds these records) or sending a bank cheque to a customer's last known address.

When a customer has been sent a payment nomination form or bank cheque and no action is taken by the customer, CBA will attempt to follow up the customer by different methods. Follow ups may include SMS, emails and phone calls.

(b) Where customers have not responded to the request for payment direction after follow up, CBA will, where appropriate, retain and pay those funds in line with the relevant unclaimed money regime's holding requirements or direct those funds to a not-for-profit organisation.

ASIC's RG 256 'Client review and remediation conducted by advice licensees' allows us, where we are unable to make the payment and the amount is below \$20, to re-direct the funds to a not-for-profit organisation.

CBA has discussed opportunities with ASIC to improve industry processes and access to information that will enhance the ability for CBA and other financial institutions to compensate customers who no longer bank with them.