

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

NAB82QW

- (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

NAB currently has two remediation programs in place, one relating to bank remediation and the other wealth remediation from MLC. NAB will retain legal ownership of MLC's advice entities, for the purpose of completing advice-related remediation programs. Broadly these programs follow similar processes however there are differences which are highlighted below.

- a) Where NAB has identified a remediation commitment but cannot identify or locate the person we follow the guidelines for 'reasonable steps' (best endeavours) as outlined in ASIC's regulatory guidance RG256 to obtain additional or correct contact details. If correct contact details are found NAB will contact the customer up to three times, using all available contact details including letter, email, text message and/or phone calls.
- b) What NAB does with these funds differs slightly depending whether the customer is part of a wealth or bank related remediation program.

Bank related remediation

Where NAB has found a customer's contact details through reasonable steps and has sought to contact them but has not heard back from the customer for over 30 days after the final contact attempt, it will begin its unclaimed monies process. This involves:

1. Transferring amounts of \$500 and over (at a customer level) to NAB's unclaimed monies team. These will be paid to ASIC and can be claimed by customers through ASIC's unclaimed monies process.
2. Donating all amounts less than \$500 to charity as they sit outside the scope of ASIC's unclaimed monies process. Any customer who contacts NAB after the donation is made will still receive their payment.

Wealth related remediation

1. Where there is not enough information to identify the client (for example we only have a name, but no address or DOB), those funds are donated to charity.
2. Where the remediation obligation arises from a client superannuation holding, including a pension, the payment is made to the trustee for the relevant superannuation fund or pension fund. In the case of NULIS Nominees (Australia) Ltd, if the customer is uncontactable after three contact attempts the payment will be identified as unclaimed and sent to the ATO.
3. Where the remediation obligation has not originated from a superannuation holding, including a pension, and the customer is uncontactable after three contact attempts, the payment will be identified as unclaimed and NAB will send the monies, if greater than \$500 to the Victorian State Revenue Office unclaimed monies account. Where the amount is less than \$500 NAB will donate the money to an appropriate not for profit organisation, agreed with ASIC. Any customer who contacts NAB after the donation is made will still receive their payment.