



Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
Question No.	012
Date	26 November 2021
Topic	Financial compensation
Reference	Spoken, 26 November 2021, Hansard page 23
Committee member	Senator O'Neill

Question

Senator O'NEILL: and there remains an enormous gap between what was promised and announced and what has actually landed in people's bank accounts, and people are dying while they're waiting. So I'd like an update on that.

Mr Longo: We have a very large remediation program that we're overseeing. It is in the billions. I'm not sure whether it's best to take that on notice or whether we could give you some assistance now, to give you a quick update. I know that Deputy Chair Chester has done a lot of work in the remediation space.

Senator O'NEILL: Some general numbers to get the shape of it, and then on notice more detail, would be very much appreciated.

Answer

ASIC does not have comprehensive data on remediation programs conducted in the financial services industry. Set out below is information ASIC has gathered from publicly available data on remediation and from remediation programs it is currently monitoring.

Publicly available data on remediation

Where the remediation payments and provisioning for remediations programs are identifiable in the financial reports of financial institutions, the information disclosed may not be directly comparable given differences between the institutions in the causes of remediation and how it is reported. The amounts provided may be revised over time as more information becomes available on areas requiring remediation and as more precise information on customers affected and compensation required is ascertained from reviews of records and other sources.

The cumulative payments and provisioning for remediation in the latest financial reports by the largest institutions are reported as follows:

- As at 30 June 2021, CBA reported that \$960 million of remediation has been paid to consumers since FY14 with a further \$1.038 billion to be repaid.
- As at 30 September 2021, NAB reported that \$1.290 billion of remediation has been paid to customers since June 2018 with a further \$966 million to be repaid.
- As at 30 September 2021, Westpac reported that \$1.5 billion of remediation has been paid to customers to date.
- As at 30 September 2021, ANZ reported that cumulative customer remediation post tax is \$1.814 billion across continuing and discontinued operations since March 2017. ANZ reported that their balance sheet as at September 2021 includes provisions of \$886 million for expected refunds to customers, program costs and related claims, penalties and litigation outcomes.

- As at 30 June 2021, AMP reported that \$215 million has been paid or offered to customers for inappropriate advice and fees for no service since 2018 with a further \$381 million to be repaid.

ASIC data on remediation

ASIC is currently monitoring 64 remediations across the financial system that should see the return of approximately \$5.4 billion to over 5.6 million consumers upon finalisation. As at November 2021, \$2.78 billion has been returned or offered to consumers and another \$2.62 billion is still expected to be repaid. The data is compiled by ASIC from information provided by the financial firms or from publicly available information (which is limited). This information is not independently verified by ASIC.

While ASIC does have some regulatory tools available to address misconduct and poor remediation outcomes, ASIC does not have powers to direct licensees to conduct remediations within a particular timeframe.