Australian Banking Association

Banking Code of Practice

Setting the standards of practice for banks, their staff and their representatives

Australian Banking Association

1 March 2020 Release

The Australian Banking Association has the **active participation of member banks** in Australia

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Banking Code of Practice
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Our role in society

Australia's banks play an important role in contributing to the prosperity of the nation's economy, for the benefit of all Australians.

Our customers count on us to provide them with a safe place to deposit money, to offer a wide range of options to access banking and financial services, and to help businesses start and grow.

We understand that trust is critical to our relationships with customers and that for us to earn that trust, we need to do the right thing.

We acknowledge that our responsibilities to customers, investors, employees and the broader community must be carefully balanced.

Customers, investors, employees and communities expect our behaviour to meet high ethical standards, backed up by the right internal culture and practices.

We are committed to continuously improving and being accountable.

In fulfilling these responsibilities, we will continue to contribute to the stability, strength and prosperity of Australia's financial system and society. To do this, we will look to continually improve our banking services and how we engage with our customers and communities.

The Banking Code of Practice **(the Code)** is one of the ways we strive to achieve these goals.

Australian Banking Association

The new Banking Code of Practice sets a new standard of customer service for Australia's banks.

The new Code is part of a significant reform agenda to improve banking services to better meet community standards and expectations.

Australians, along with businesses large and small, entrust their financial security and wellbeing to one or more of the banks who are signatory to this Code.

In signing this important document, these banks make a commitment to you, their customers, to ethical behaviour, to fair and responsible lending practices and to the protection of your privacy.

In a world where technology is rapidly changing the banking experience, making it more convenient, more mobile and more transparent than ever before, strong, ethical banks remain critical to customer trust and confidence.

With this new Banking Code of Practice, banks take on a stronger responsibility to deliver on that expectation.

In addition to a community and industry wide expectation, the high standards of behaviour and service set out in this Code are enforceable rights for customers.

In an Australian first, this new Banking Code of Practice has been considered and approved by the Australian Securities and Investments Commission under their industry code approval powers.

I look forward to the Banking Code of Practice improving the banking experience for all customers.

Anna Bligh

Chief Executive Officer
Australian Banking Association

What is the Banking Code of Practice?

The Banking Code of Practice (the Code) sets out the standards of practice and service in the Australian banking industry for individual and small business customers, and their guarantors. This version of the Code takes effect from 1 March 2020.

The Code provides safeguards and protections not set out in the law. It complements the law and, in some areas, sets higher standards than the law.

The Code was first introduced in 1993. Since then, it has undergone multiple improvements — responding to emerging issues and the changing needs of our customers — to ensure it remains relevant.

This version of the Code has been developed in close consultation with key stakeholders including consumer groups, government, regulators and the banking industry. It replaces the previous version, Release 1 of the Banking Code of Practice 2019.

Over time, many of the standards embedded in the Code have been included in the law.

By promoting best practice, the Code has led to higher standards in the banking and financial services industry.

The Code is underpinned by our Statement of Guiding Principles

These principles — shared by all member banks — provide an ethical, customer-oriented and sustainable framework. They guide us in our decision-making when performing our work and serving our customers.

1. Trust and confidence

- We are committed to earning and retaining the trust of our customers and the community.
- We are committed to making promises and keeping them to deliver good customer and community outcomes.
- We will comply with all laws relating to banking services.
- We will protect your privacy.
- We recognise our role in society and our impact on the wider community.

2. Integrity

- We will act honestly and with integrity.
- We will be fair and responsible in our dealings with you.
- We will build and sustain a culture based on strong ethical foundations.

3. Service

- We will deliver high customer service and standards.
- We will ensure banking services are accessible, inclusive and provided to you in a fair and ethical manner.
- We will raise awareness of the basic (low, or no fee) banking products that we may offer.
- We will take a responsible approach to lending.
- We will work to help you if you are experiencing financial difficulty.

4. Transparency and accountability

- We will communicate with you in a clear and timely manner.
- We will be accountable in our dealings with you.
- We will be transparent in our communications with you.

Australian Banking Association Banking Code of Practice

Setting standards of conduct for banks, their staff and their representatives.

Each bank that has adopted the Code will comply by the transition date.

It is a condition of ABA membership that member banks with a retail presence in Australia are required to sign up to the Code. Banks that have adopted the Code are listed on the ABA website: ausbanking.org.au/code

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PART 1

How the Code works

CHAPTER 1

Who the Code applies to

1. The Code applies to you, as defined in the table below:

"You" and "your"

"You" and "your" means a person who, at the time we provide the banking service, or information is provided, is:

a) our customer, and where relevant, a prospective customer, and is either:

   i. an individual, who is not treated as a business under the Code; or

   ii. a small business; or

b) a guarantor, or a prospective guarantor.

"We", "us" and "our"

"We", "us" and "our" means the bank that you deal with that has signed up to the Code.

Who is a "guarantor"?

A guarantor is an individual who gives a guarantee to secure a loan that we give to another individual or to a small business to which Part 7 of the Code applies.

What is a "business"?

A customer is treated as a business if they apply for, or receive, a banking service for a purpose that is wholly or predominantly a trading or commercial purpose, and where the National Credit Code does not apply.

"Banking service"

Banking service means any financial service or product provided by us in Australia to you:

a) whether supplied directly or through an intermediary; and

b) if provided by another party and distributed by us, extends only to the distribution or supply, and not to the service or product itself.

Examples of banking services the Code applies to:

- bank accounts and term deposits;
- credit cards, debit cards, prepaid cards;
- home loan, personal loans, bill facilities, overdrafts– in the Code these are included in the definition of "loans";
- consumer credit insurance;
- payment services; and
- foreign currency exchange services.

However, banking services the Code does not apply to include:

- shares, bonds and other securities that we issue; and
- financial products and financial services for the purposes of Chapter 7 of the *Corporations Act 2001*, if you are a 'wholesale client' rather than a 'retail client'.

What is a "small business"?

A business is a "small business" if at the time it obtains the banking service all of the following apply:

a) it had an annual turnover of less than $10 million in the previous financial year; and

b) it has fewer than 100 full-time equivalent employees; and

c) it has less than $3 million total debt to all credit providers including:

   i. any undrawn amounts under existing loans;

   ii. any loan being applied for; and

   iii. the debt of all its related entities that are businesses.

"Farmer" is as defined in section 4 of the *Farm Debt Mediation Act 1994 (NSW)* (meaning a person (whether an individual person or a corporation) who is solely or principally engaged in a farming operation and includes a person who owns land cultivated under a share-farming agreement and the personal representatives of a deceased farmer).

"Farming operation" is as defined in section 4AB of the *Farm Debt Mediation Act 1994 (NSW)* as meaning a business undertaking that primarily involves one or more of the following activities:

(a) agriculture (for example, crop growing and livestock or grain farming);

(b) aquaculture;

(c) the cultivation or harvesting of timber or native vegetation; or

(d) any activity involving primary production carried out in connection with an activity referred to in paragraphs (a)-(c).

Land is "in drought or subject to natural disaster" where an Australian State or Territory Government makes a declaration to that effect; or, if no such declaration is made, where we are satisfied on other grounds that the land is in drought or subject to natural disaster.

"Default interest" is the application of a higher annual percentage rate applicable under a loan because you are in default, for the period that the default continues.

The Code forms part of our banking services and guarantees

2. Our written terms and conditions for all banking services and guarantees to which the Code applies will include a statement to the effect that the relevant provisions of the Code apply to the banking service or guarantee.

3. The terms and conditions need not set out those provisions.

CHAPTER 2

Publication and review of the Code

How the Code is to be publicised and made available

4. We will promote the Code.

5. We will ensure the Code is available and accessible in different ways, including in hard copy and electronically. If you want a hard copy you can ask us in a branch or over the phone and we will give or send you one for free.

Three yearly reviews of the Code

6. The ABA will arrange for the Code to be independently reviewed at least every three years from the date this Code comes into effect.

7. When reviewing the Code we will also consult with consumer representatives, small business organisations and other stakeholders.

PART 2

Your banking relationship

CHAPTER 3

Our compliance with the Code

Our commitments to the Code

8. We will honour the commitments we make to you in the Code.

CHAPTER 4

Trained and competent staff

Our staff and representatives will be trained and competent — including about the Code

9. We will make sure that our staff and our representatives are trained so that they:

   a) can competently do their work; and

   b) understand the Code and how to comply with it when they are providing banking services.

How our staff will engage with you

10. We will engage with you in a fair, reasonable and ethical manner.

CHAPTER 5

Protecting confidentiality

We will protect your confidentiality

11. We will meet our general duties under law to protect your confidentiality.

12. We will also have our own privacy policies available on our website.

CHAPTER 6

Compliance with laws

How we will comply with the law and the Code

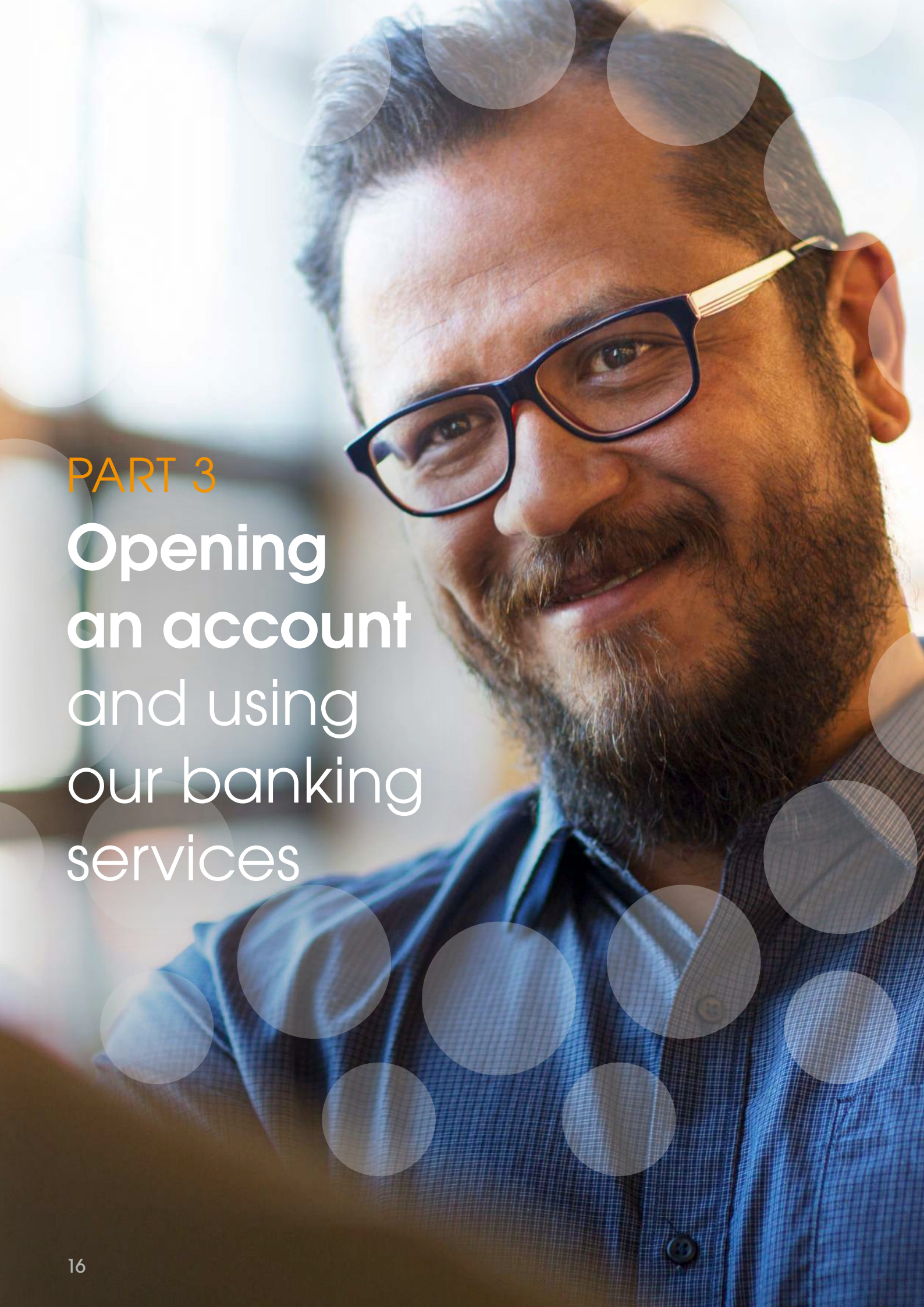
13. If the Code imposes an obligation on us that is in addition to obligations applying under a relevant law, then we will comply with the Code unless doing so would lead us to breach the law.

CHAPTER 7

Closing a branch

Our commitments when closing a branch

14. We will comply with the ABA protocol when closing a branch. The protocol outlines our commitment to provide banking services to personal, and small business, customers in remote, rural and regional areas. This protocol is available at: ausbanking.org.au



PART 3

Opening an account and using our banking services

CHAPTER 8

Providing you with information

We will give you clear information

15. We will give you clear information about our products and services so you can make an informed decision about which product or service is suitable for you.

16. We may give you advice, or recommend that you seek advice.

CHAPTER 9

Communication between us and you

How we will communicate with you

17. We will communicate with you in a timely manner and we will give you information that is useful and clear.

18. Anything that we are required to give to you under this Code may be given to you:

    a) in writing, electronically or by telephone;

    b) by telling you that the information is available on a website or other electronic forum; or

    c) as otherwise agreed with you.

    However, if the Code specifies the method of communication, then we will comply with that method.

19. Where this Code requires us to communicate in writing, this includes electronic communications.

20. All communication under this Code will be consistent with our obligations under the law or other applicable codes.

21. Our terms and conditions will be distinguishable from our marketing material.

CHAPTER 10

Responding to your request for information

How we will respond to your request for information

22. We will answer your questions about our banking services.

23. If you ask us for advice on any of our banking services, then we will:

    a) give it to you through staff who are authorised and trained to give you that advice; or

    b) refer you to someone else who can provide you with advice – for example: a lawyer, accountant, financial adviser or financial counsellor.

CHAPTER 11

What information we will give you

Terms and Conditions, Fees and Charges

24. If you are entering into a contract for a banking service with us, then we will give you our:

    a) terms and conditions;

    b) fees and charges; and

    c) if applicable, interest rates.

    We will do this before, or when, the contract is made. This information may be in separate documents.

25. The documents provided in paragraph 24 will clearly set out:

    a) the amount of fees and charges and how often they are credited or debited to your account;

    b) any interest rate that applies, how and when different interest rates may apply, the method by which interest is calculated, and when interest will be debited to your account;

c) how often we give you statements of account;

d) how we may change fees, charges, interest or other terms and conditions, and how we will notify you of these changes;

e) for a loan, whether the loan is repayable on demand; and

f) a statement that information on current standard fees, charges and any interest rates is available on request.

Specific information

26. If the following information applies to your banking service, we will give you that information in, or with, our contract:

a) minimum balance requirement;

b) any restriction on depositing money, or withdrawing money, from a relevant account;

c) the repayment details; and

d) how we process your request to cancel a direct debit arrangement.

Term deposits

27. Our terms and conditions for a term deposit account will contain the following specific information:

a) how we will pay interest and repay the principal to you;

b) how funds may be dealt with at maturity; and

c) details of any fee, charge, or change in an interest rate resulting from a withdrawal in advance of maturity.

Cheque accounts

28. Our terms and conditions for an account with cheque access will contain the following specific information:

a) the normal length of time we take to clear a cheque;

b) how you may arrange for us to clear a cheque faster than normal – known as arranging special clearance;

c) how and when a cheque may be stopped;

d) the effect of crossing a cheque;

e) the meaning of 'not negotiable' and 'account payee only';

f) the significance of deleting the words 'or bearer' from a cheque;

g) how you may write a cheque so as to reduce the risk of it being changed in an unauthorised way; and

h) when we will not pay (known as, 'dishonour') a cheque – including if the cheque is post-dated or stale.

Exchange rates and commissions

29. If we give you a foreign exchange service (other than by credit card, debit card, or travellers' cheque), then we will give you the following information:

    a) details of the exchange rates and commission charges that we know will apply — if we do not know those details, then we will give you the details we know about how to find out relevant information at the time of the transaction; and

    b) an indication of when any money you send overseas would normally arrive at the destination to which you are sending it.

Insuring your property

30. If you have a loan and we have a security (for example, a mortgage) over your primary place of residence or a residential investment property you own, then we will remind you of your obligations to insure the property. We will remind you of that at least once a year. Our reminder will include:

    a) a statement that you should check with your insurer about your cover; and

    b) a reference to the Australian Securities and Investments Commission's MoneySmart website **moneysmart.gov.au** for information on property insurance.

CHAPTER 12

Acquiring a new product or service

We will ensure we have your agreement about fees

31. If we charge a fee for you to acquire a new product or service, then we will make sure we have your agreement to do so.

PART 4

Inclusive and **accessible** banking

CHAPTER 13

Being inclusive and accessible

We believe in inclusive banking services

32. We are committed to providing banking services which are inclusive of all people including:

    a) older customers;

    b) people with a disability;

    c) Indigenous Australians, including in remote locations; and

    d) people with limited English.

33. We will train our staff to treat our diverse and vulnerable customers with sensitivity, respect and compassion.

We are committed to providing banking services which are accessible

34. We are committed to improving the accessibility of our banking services for people with a disability, older customers and people with limited English. We will take reasonable measures to enhance their access to those services.

When providing banking services to Indigenous customers

35. If you tell us you are an Indigenous customer, we will take reasonable steps to make our banking services accessible to you. We will also:

    a) tell you about any accounts and services that are relevant to you;

    b) tell you about any accounts or services that have no, or low standard fees, if our enquiries indicate you may be eligible for these and help you transfer to another account you want; and

    c) help you meet any identification requirements, by following AUSTRAC's guidance on identification and verification of persons of Aboriginal and Torres Strait Islander heritage.

When providing banking services to remote customers

36. We will also assist our customers who reside in remote communities (including remote Indigenous communities) to access and undertake their banking services.

37. We will provide cultural awareness training to staff who regularly assist customers in remote Indigenous communities.

CHAPTER 14

Taking extra care with customers who are experiencing vulnerability

We will take extra care with customers who are experiencing vulnerability

38. We are committed to taking extra care with customers who are experiencing vulnerability, including:

    a) age-related impairment;

    b) cognitive impairment;

    c) elder abuse;

    d)family or domestic violence;

    e) financial abuse;

    f) mental illness;

    g) serious illness; or

    h) any other personal, or financial, circumstance causing significant detriment.

    We may become aware of your circumstances only if you tell us about them.

39. We will train our staff to act with sensitivity, respect and compassion if you appear to be in a vulnerable situation.

40. If you tell us about your personal or financial circumstance, we will work with you to identify a suitable way for you to access and undertake your banking.

41. When we are providing a banking service to customers who are experiencing vulnerability we will:

    a) be respectful of your need for confidentiality;

    b) try and make it easier for you to communicate with us;

    c) provide appropriate guidance and referrals to help you to maintain, or regain, control of your finances; and

    d)refer you to external support, if appropriate.

CHAPTER 15

Banking services for people with a low income

When providing transaction banking services to low income earners

42. If you are an individual and you tell us that you are a low income earner, we will give you:

    a) information about our accounts that may be appropriate to your needs; and

    b) information about our accounts:

        i. for which standard fees and charges are low; or

        ii. for which there are no fees and charges (if we offer such a product).

43. Our obligation in the previous paragraph applies to you regardless of whether or not you are our customer.

    We may become aware if you are a low income earner only if you tell us about it.

If you receive a Commonwealth pension or concession, we will give you information about our low or no fee accounts

44. If you apply for a new transaction account, we will ask you if you have any of the following government cards. If you tell us that you have one of these cards, then we will give you information about any basic bank accounts or other banking services we offer that have low or no standard fees and charges (see Chapter 16):

    a) a Commonwealth Seniors Health Card;

    b) a Health Care Card; or

    c) a Pensioner Concession Card.

CHAPTER 16

Basic accounts or low or no fee accounts

Basic accounts

44A. We may offer 'basic accounts', or other kinds of low or no fee transaction accounts.

44B. Basic accounts have, at a minimum:

a) no account keeping fees;

b) free periodic statements (you can choose monthly or longer intervals);

c) no minimum deposits (except that, if your government benefit is paid into a bank account of yours, you may be required to have it paid into this account);

d)free direct debit facilities;

e) access to your choice of a debit card (such as eftpos), or a scheme debit card offered by us (such as Visa Debit or Mastercard Debit) at no extra cost; and

f) free and unlimited Australian domestic transactions*.

*Note that you may be charged for certain ancillary services. For example, bank cheques, telegraphic transfers, or transactions at ATMs owned and operated by third parties.

We will raise awareness of basic, low or no fee accounts and give you information about them

45. We will raise awareness of our affordable banking products and services such as basic, low, or no fee accounts, including that you may be eligible if you have a government concession card.

46. We will give you information that is easily accessible about accounts that have low, or no, standard fees and charges.

Special features for basic, low or no-fee accounts for eligible customers

47. If you are an eligible customer and you ask for a basic account, or a low or no fee account, we will offer you one of these accounts that has the special features listed in this paragraph and, if we offer basic accounts, will also have the features listed in paragraph 44B. The special features are:

a) No informal overdrafts (except where it is impossible or reasonably impractical for us to prevent your account from being overdrawn)

b) No dishonour fees; and

c) No overdrawn fees

You are not obliged to accept our offer of an account with the special features. You may request (or we may offer you) other accounts (including other basic, low fee or no fee accounts) which do not have some or all the special features, or may have additional features.

We may also offer accounts with some or all of the special features, (and / or the features in paragraph 44B), to individuals who are not eligible customers under this Chapter.

For the purposes of this Chapter:

'eligible customer' means an individual that is not a business who holds a current a government concession card listed in paragraph 44.

'informal overdraft' means credit we provide when (without your express agreement) we permit you to overdraw your account.

'no overdrawn fees' means we will not charge a fee where your account falls into debit. However, you may be charged interest on the amount in debit.

'no dishonour fees' means we will not charge a fee because a debit on a basic, low or no fee account is declined due to insufficient funds in the account.

Training for staff about customers eligible for basic, low, or no, fee accounts

48. We will train our staff to help them to recognise a customer, or potential customer that may qualify for a basic, low, or no fee account.

PART 5

When you **apply for a loan**

CHAPTER 17

A responsible approach to lending

Lending to individuals and small businesses

49. If we are considering providing you with a new loan, or an increase in a loan limit, we will exercise the care and skill of a diligent and prudent banker.

50. If you are an individual customer, that is not a business, we will do this by complying with the law.

51. If you are a small business, when assessing whether you can repay the loan we will do so by considering the appropriate circumstances reasonably known to us about:

    a) your financial position; or

    b) your account conduct.

    Where reasonable to do so, we may rely on the resources of third parties available to you, provided that the third party has a connection to you (that is, to the small business). For example where the third party is a related entity of yours (including but not limited to your directors, shareholders, trustees, beneficiaries or related body corporates), or is a partner, joint venturer, or guarantor of yours.

52. We also owe an obligation to any guarantor of the loan to comply with the above paragraph in assessing the borrower`s ability to repay the loan.

Lending to co-borrowers

53. If you are an individual applying for a loan, or an increase to a loan limit, paragraphs 54 to 56 apply to you.

54. If, on the information that you have provided to us in the course of applying for this loan, you will not receive a substantial benefit from the loan, we will not approve you as a co-borrower unless we:

    a) have taken reasonable steps to ensure that you understand the risks associated with entering into the loan, and understand the difference between being a co-borrower and a guarantor;

    b) have taken into account the reasons why you want to be a co-borrower; and

    c) are satisfied that you are not experiencing financial abuse.

55. A substantial benefit includes where:

    a) you acquire a reasonably proportionate legal or equitable interest in assets purchased with the loan funds; or

    b) a reasonable portion of the loan funds are used to repay your debts, or other obligations owed by you.

56. You may end your liability under the loan by giving us a written request to do so in the following circumstances:

    a) where credit has not been provided or relied upon by any co- borrower; or

    b) for any future advances under the loan, where we can terminate any obligation we have to extend further credit to any other co-borrower under the same loan.

57. Paragraphs 53 to 56 do not apply to borrowers who are trustees, companies, directors of co-borrower companies or partners in a partnership or joint-venture arrangement.

We will tell you about our suitability assessment for a loan

58. If we approve your loan, and it is regulated under the *National Consumer Credit Protection Act 2009*, we will let you know that you can obtain our assessment about whether it is not unsuitable for you.

59. If you are a guarantor, we will let you know that you can also request a copy free of charge.

We will assess your ability to repay a credit card within a three year period

60. When you apply for a new consumer credit card or credit limit increase, we will assess your ability to repay the amount of the credit card limit within a three year period.

60A. If the National Credit Code would apply to the new loan or loan increase we are considering providing to you, we will factor in your ability to repay the amount of your existing credit card limits within three years when complying with our obligations to you in this Chapter.

Setting a credit card limit when you apply

61. You can let us know what your preferred credit card limit is and we will not give you a limit that is more than what you requested. Transactions may be processed which nevertheless cause you to exceed your limit.

CHAPTER 18

Our approach to selling consumer credit insurance (CCI)

Our approach to selling CCI for credit cards and loans

62. If we offer CCI, then we will give you clear information that enables you to make an informed decision — including (to the extent we can):

a) the cost of the CCI, including any interest you will pay on the premium;

b) how long you would be insured for;

c) the monetary limits on the key benefits payable under the insurance; and

d) the date your insurance ends, if that date is different to the date on which the underlying credit product ends.

63. Before we enter the contract with you, we will ensure we have your express consent to acquire the product.

Separation of application process for CCI for credit cards and loans sold in digital channels

64. We will refer to the availability of CCI only after you have completed the digital application for a credit card or loan.

65. We will let you know that whether you purchase CCI or not has no bearing on whether we approve you for a credit card or loan.

66. We will use clear disclosure for CCI on credit cards and loans to enable customers, as they navigate through the digital experience, to better understand this type of insurance. This will be through:

a) Use of filtering questions so that we alert you to key policy exclusions such as age, residency and employment status and if you are not eligible to claim a significant part of the policy, not offering this product.

b) Disclosing the limits of the policy as part of the process (the circumstances in which a payout will be made and the amount of the payout).

c) Disclosing any incentives you might receive from taking out the CCI product and their effect.

d) Telling you the total cost of the insurance (if known) before you complete the CCI purchase.

e) Telling you how the premium is to be paid.

f) Where the ongoing premium is calculated as a percentage or a cost per dollar of the outstanding debt or statement balance, then we will tell you that cost and how we calculate it.

Deferred sales period for CCI for credit cards and personal loans sold in branches or over the phone

67. If we offer CCI for credit cards and personal loans through a branch or over the phone, then we will not offer that product to you until at least four days after you have applied for the credit product. This is known as a 'deferred sales period'.

68. We can still provide factual information on CCI for you to consider during the deferred sales period.

CHAPTER 19

Lenders mortgage insurance

Lenders mortgage insurance contracts

69. We may require you to pay for lenders mortgage insurance in connection with a loan you have. If we do this, we will give you a fact sheet about lenders mortgage insurance. The fact sheet will contain information outlining the key policy features.

70. We will not charge you more for lenders mortgage insurance than the actual cost we incur for that policy. We will not receive a commission on your lenders mortgage insurance policy.

71. Depending on the terms of the lenders mortgage insurance policy, if your loan is repaid or refinanced before the end of the policy, then you may be entitled to a refund of part of the fee or charge you have paid. We will explain this to you in the fact sheet.

PART 6

Lending to **small business**

CHAPTER 20

Helping a small business when it applies for a loan

What we tell a small business when they apply for a loan

72. We will tell a small business how to apply for a loan, including the following:

    a) the information we require; and

    b) after we have received the information we have requested, how long before we are likely to make a decision.

73. Before you accept a loan offer, we will give you a plain English document clearly setting out the key general terms and conditions of the loan. This is in addition to the disclosures required under Part 3 of the Code, and may be a separate document or part of the loan document.

74. If we decide not to approve a loan to a small business we will tell the small business the general reason why unless it is reasonable for us not to do so.

CHAPTER 21

When will we not enforce a loan against a small business?

For special conditions about non-monetary defaults, see chapter 22

How much notice we give a small business before enforcing a loan?

75. If you are a small business and in default under your loan, we will give you 30 days' notice before we either require you to repay the loan in full, or take enforcement proceedings.

76. If you remedy the default during the 30 day period, and no default of the same type has arisen during that period, we will not require full repayment or take enforcement proceedings.

77. We may give you a shorter notice period, or no notice period, if:

    a) the default is unable to be remedied; or

    b) it is reasonable for us to do so to manage a material and immediate risk relating to the nature of the relevant default, your particular circumstances, or the value of the security; or

    c) we have already given you a period to remedy the default under paragraph 81, and you have not remedied that default.

78. If you have an overdraft or on-demand facility, we may not be required to give you any notice when we require repayment, but if a failure to repay that facility on demand also constitutes default under another loan with us, we will comply with this Chapter if we enforce that other loan based on that default.

CHAPTER 22

Specific events of non-monetary defaults

This chapter applies to standard form small business loans. In this chapter, 'guarantor' means any guarantor of a small business, not limited to a guarantor who is an individual.

Loan terms and conditions

79. Our loan terms and conditions will specify how and when we will not enforce a loan against a small business for non-monetary defaults.

Enforcement of small business loans for non-monetary defaults

80. If you are a small business and you have met all your payment obligations under the loan terms, we will not take default based action against you unless:

    a) you or a guarantor is insolvent, goes into bankruptcy, voluntary administration, other insolvency process or arrangement, or no longer has legal capacity;

    b) enforcement proceedings are taken against you or a guarantor or your or their assets by another creditor;

    c) early repayment is required under a separate financing arrangement you or a guarantor has with us, or default based action is taken against you or a guarantor by us, due to an event of default which is described in this chapter;

    d) we believe on reasonable grounds that you or a guarantor has not complied with the law or any requirement of a statutory authority, or it becomes unlawful for you or us to continue with the loan;

    e) you or a guarantor gives us information or makes a representation or warranty to us which is materially incorrect or misleading (including by omission);

    f) you use the loan for a purpose not approved by us;

    g) your assets or a guarantor's assets are dealt with, or attempted to be dealt with in breach of the loan, or any security or other agreement with us without our consent;

    h) you or a guarantor do not provide financial information required by your agreement with us;

    i) you or a guarantor do not maintain a licence or permit necessary to conduct your business;

    j) you or a guarantor do not maintain insurance required by your agreement with us;

    k) legal or beneficial ownership, or management control of a borrower or guarantor or their business changes without our consent; or

    l) status, capacity or composition of you or a guarantor changes without our consent.

What we will do before we take default based action

Remedying your non-monetary default

81. We will:

    a) give you a notice specifying the grounds on which we consider there is a non-monetary default; and

    b) allow a reasonable time for you to remedy your non-monetary default, where it is able to be remedied, and notify you of this time period.

82. If paragraph 81 applies, a reasonable time will not be less than 30 days unless it is reasonable for us to act to manage a material and immediate risk relating to the nature of the relevant default, your particular circumstances, or the value of the security.

Material impact

83. We will only act on a specific event of non-monetary default identified in paragraph 80, if the event by its nature is material, or we reasonably consider the event has had, or is likely to have, a material impact on:

    a) you or your guarantor's ability to meet your or their financial obligations to us (or our ability to assess this);

    b) our security risk (or our ability to assess this); or

    c) our legal or reputation risk where paragraph 80(d) or (e) and (f) applies.

General material adverse change clauses

84. We will not include a general material adverse change clause as an event of default in any standard form small business lending contract.

Specialised small business loans

85. For the following types of small business standard form loans, we may include financial indicator covenants or special covenants tailored to the particular nature of these loans as a trigger for default based action:

    a) loans for property development; or:

    b) loans for a specialised lending transaction, where because of their nature, require additional covenants as a way of banks managing their risks, including margin lending, loans to self-managed superannuation funds, bailment, invoice discounting, construction finance, foreign currency loans and tailored cash flow lending.

CHAPTER 23

When we decide not to extend a loan

How much notice will we give a small business before the end of a loan

86. If you are a small business and you are not in default, and the principal owing on your loan is not due to be fully repaid at the end of its scheduled term by regular periodic repayments, we will give you notice of our decision not to extend your loan, at least 3 months before you need to repay your loan in full.

87. If we decide to extend or refinance your loan, we are not required to do so on the same terms.

CHAPTER 24

When we appoint external property valuers, investigative accountants and insolvency practitioners

When using external property valuers we will be fair and transparent

88. Our processes in relation to external expert valuations will be fair and transparent.

89. Our communication will be clear and we will explain the purpose of the valuation to the customer.

When we will provide you with a copy of a valuation

90. Where we have charged you (or you have reimbursed us) for a valuation of a commercial or agricultural real property, we will provide you with a copy of that valuation and the related valuer instruction (except where enforcement proceedings have commenced).

    We may require you to acknowledge in writing that you accept our reasonable limitations on your use of the valuation before we provide it to you.

91. We will only appoint appropriately qualified and experienced valuers who are members of professional organisations which abide by a similar code of practice.

Appointing investigating accountants and insolvency practitioners (including voluntary administrators)

92. We will act fairly when using investigative accountants and insolvency practitioners, and will ethically manage potential conflicts of interest when appointing receivers who have been investigating accountants for a small business, for example:

    a) We will only appoint qualified practitioners who are members of relevant professional organisations with appropriate codes of conduct.

    b) We will require additional internal oversight of the appointment of investigating accountants as receivers, to ensure that the decision is necessary and to review the circumstances leading to the appointment.

    c) If the relationship between the bank customer and the investigating accountant has deteriorated (for example has become unworkable) the bank will consider the appointment of an alternative qualified practitioner.

PART 7

Guaranteeing a loan

When this part applies

93. If you are an individual who gives a guarantee and/or indemnity to secure a loan that we give to another individual or small business, and this Code applies to the loan, then this part of the Code applies to your guarantee and/or indemnity.

CHAPTER 25

Limiting liability under the guarantee

Before accepting a guarantee

94. Your guarantee will be limited to:

    a) a specific amount and/or category of amounts such as all amounts owing under a specific loan, plus other liabilities and amounts as described in the guarantee (for example, interest and recovery costs); or

    b) the value of a specified property or other assets under a specified mortgage or other security at the time of recovery.

During the guarantee

95. You may write to us to limit, or further limit the liabilities you have guaranteed under your guarantee. However, we do not have to accept your request if:

    a) the amount, or nature, of the limit you request does not cover the borrower's existing liability (plus any interest owed, or any fees, or charges that we may incur in respect of that liability) under the relevant loan contract at the time;

    b) we are obliged to make further advances to the borrower; or

    c) we would be unable to preserve the current value of an asset which is security for the loan without making further advances.

CHAPTER 26

What we will tell and give you

Before accepting a guarantee

Notice to you

96. The terms and conditions of the guarantee will contain a prominent notice that:

    a) you should seek independent legal and financial advice;

    b) you can refuse to sign the guarantee;

    c) there are financial risks involved;

    d) you can limit your liability in accordance with this Code or as allowed by law;

    e) you can request information about the transaction or loan; and

    f) if applicable, that the guarantee may cover future credit facilities and variations of the existing loan.

97. We will tell you:

    a) about any notice of demand we have made on the borrower for the guaranteed loan, or any loan the borrower has (or has had) with us, within the previous two years; and

    b) if any existing loan we have given the borrower will be cancelled if the guarantee is not provided.

    This paragraph does not apply if you are a commercial asset financing guarantor, sole director guarantor or trustee guarantor.

Required warning notice

98. We will ensure that a warning notice appears directly above the place where you sign the guarantee. The warning notice will be substantially in the form required by section 55 of the National Credit Code, and detailed in Form 8 of the *National Consumer Credit Protection Regulations 2010* and consistent with this Code.

Guarantee documents

99. We will give you a copy of the following documents in relation to the borrower:

    a) the proposed loan contract;

    b) a list of any related security contracts;

    c) any related credit report from a credit reporting body;

    d) any current credit-related insurance contract that is in our possession;

    e) any financial accounts or statement of financial position the borrower has given us in the previous two years for the purposes of the guaranteed loan;

    f) the latest statement of account relating to the loan for a period in which a notice of demand was made by us within the last two years; and

    g) other information we have about the guaranteed loan that you reasonably request — but we do not have to give you our internal opinions.

    This paragraph does not apply if you are a commercial asset financing guarantor, sole director guarantor or trustee guarantor.

What we will tell you if you are a director guarantor

100. If you are a director guarantor (other than a sole director guarantor) we will tell you that you have the right to receive the documents in paragraphs 96 to 99, and that these documents contain important information that may affect your decision to give a guarantee. You may choose not to receive some or all of the documents, and we will not influence your choice.

During the guarantee

101. We will give you the following information, about a borrower's deteriorating financial position as it relates to the loan you guarantee, within 14 days of the relevant event:

    a) a copy of any formal demand or default notice we send to the borrower after we send it;

    b) a written notice if the borrower has advised us that they are experiencing financial difficulty which has resulted in a change to their loan; and

    c) a written notice if the borrower is in continuing default for more than two months after the issuance of the default notice referred to above.

102 If you ask us to, we will give you additional copies of any information we have given you – we will do so within 30 days.

103. However, we do not need give you those copies if we have given you the information you requested within three months before your request.

    Paragraphs 101, 102 and 103, do not apply if you are a commercial asset financing guarantor, sole director guarantor or trustee guarantor.

Extending your guarantee

104. If a borrower obtains a new loan or has changes made to an existing loan, then these may be covered by your guarantee to the extent they fall within the limit contained in your guarantee.

105. If we agree to increase the limit in your guarantee, we will:

    a) give you what is required under paragraph 99; and

    b) obtain your written acceptance of the extension of the guarantee.

106. In these circumstances, we will provide you with any unsatisfied notice of demand made by us on the borrower in respect of the loan.

CHAPTER 27

Signing your guarantee

When we can accept your guarantee

107. We will not accept a guarantee from you until the third day after you have been given the information provided at paragraph 96 to 99.

108. However, we can accept the guarantee earlier if you:

    a) have obtained independent legal advice about the guarantee;

    b) have accepted an extension of the guarantee;

    c) are a commercial asset financing guarantor, sole director guarantor, trustee guarantor or vehicle asset financing guarantor; or

    d) you are a director guarantor and you choose to sign and deliver the guarantee earlier. We will not influence your choice.

Signing your guarantee

109. We will give the guarantee documents directly to you or your representative. We will not give the guarantee documents to the borrower, or to someone acting on behalf of the borrower, to arrange for you to sign the guarantee.

110. If we attend the signing of the guarantee, we will ensure that you sign the guarantee in the absence of the borrower.

    Paragraphs 109 and 110, do not apply if you are a commercial asset financing guarantor, sole director guarantor or trustee guarantor.

CHAPTER 28

Withdrawing or ending your guarantee

Withdrawing your guarantee

111. You may, by written notice to us, withdraw from the guarantees:

    a) at any time before we provide credit under the relevant loan; or

    b) after credit is first provided, if the signed version of the relevant loan differs in a material respect from the proposed loan we gave you before you signed the Guarantee. This does not apply to any change to the loan described in paragraph 104.

    However, you may do so only to the extent of the obligations under the guarantee.

Ending your guarantee

112. You may end your liability under a guarantee you have given to us by:

    a) paying us the lower of:

        i. the borrower's outstanding liability, including any future or contingent liability; or

        ii. the amount to which your guarantee of the borrower's liability is limited under the guarantee; or

    b) making other arrangements we agree to in return for releasing you from your guarantee.

CHAPTER 29

Enforcing our rights under the guarantee

How we will enforce our rights under the guarantee

113. We will not enforce any mortgage or other security you have given us in connection with the guarantee unless we have first enforced any mortgage or other security that the borrower has provided for the guaranteed liability. This paragraph does not apply where the guaranteed liability arises under a standard margin loan.

114. We will not enforce any judgment against you under the guarantee unless:

    a) we have first enforced any mortgage or other security that the borrower has provided for the guaranteed liability; and

    b) if one (or more) of the following has occurred:

        i. we have obtained Court judgment in our favour against the borrower for payment of the guaranteed liability; and the judgment debt remains unpaid for at least 30 days after our written demand for its payment;

        ii. we have made reasonable attempts to locate the borrower but without success; or

        iii. the borrower is insolvent.

115. However, the restrictions under paragraphs 113 and 114 do:

    a) not apply if you have specifically agreed in writing after the default notice is issued and we have informed you of the limitations of our enforcement rights under this chapter that they do not apply; or

    b) not require us to first enforce any mortgage or other security that the borrower has provided if we reasonably expect that the net proceeds of that enforcement will not be sufficient to repay a substantial portion of the guaranteed liability, or because of the borrower not providing us with information, documents, or access to premises or assets as required, we are unable to reasonably assess whether the net proceeds of that enforcement will not be sufficient to repay a substantial portion of the guaranteed liability.

PART 8

Managing your account

CHAPTER 30

Keeping your accounts safe and secure

We will tell you about safeguarding important items

116. We will tell you to safeguard your payment documents, cards and devices.

We will tell you when you should tell us if any of those items are lost or misused

117. Our terms and conditions set out when you should tell us if any payment documents, cards or devices are lost or misused.

118. We will tell you about:

a) how you can notify us of the loss, theft or misuse; and

b) the consequences of you not telling us about the loss, theft or misuse.

CHAPTER 31

Statements we will send you

When will we give you statements for your deposit account?

119. At least every six months — or more frequently if you ask — we will give you an account statement for a deposit account (unless it is a passbook account).

When will we give you statements if you are in default on your loan account?

120. If you are in default on your loan account, then we will give you a statement of account or alternative (for example, transaction history) if you ask for it.

What if the National Credit Code's statement rules do not apply to your loan or credit account?

121. If you are a small business or an individual and the rules in the National Credit Code about statements of account do not apply to your loan or credit account, then we will give you a statement of transactions on your account as though those rules did apply.

122. However, we do not have to do that if the nature of the relevant banking service means it is impractical for us to do so.

CHAPTER 32

Cost of transaction service fees

We will tell you the cost of transaction service fees

123. If you are an individual that is not a business, we will tell you about a transaction service fee immediately before you incur the fee, if it is practical and reasonable for us to do so.

124. However, it may not be practical or reasonable for us to do so in certain circumstances — for example:

a) dishonour fees;

b) if the fee is charged based on end-of-day balance and, therefore, is not necessarily incurred at the time of the transaction — for example, an overdrawn fee based on end of day balance;

c) if you are making an online purchase: from a third party, using a merchant terminal, or using another bank's ATM, or

d) break costs, which may be incurred if your transaction makes a prepayment to a fixed rate loan.

CHAPTER 33

Managing a credit card or debit card

We will pay off your higher interest credit card debts first

125. Any payment you make to your consumer credit card will be applied first to the amounts that have the highest interest rate as at the last statement date. However, if you ask us to, we may agree to apply a repayment against a specific debt owed.

Charging interest retrospectively on portion of credit card balance that is paid off by the due date

126. If you have an interest-free period on a consumer credit card balance, or part of a balance, for a period of time, we will not retrospectively charge you interest for that period because you didn't pay off that balance, or part of that balance, by the due date.

We will give you notice before an introductory balance transfer offer ends

127. If you have an introductory balance transfer offer on your consumer credit card, we will give you at least 30 days' notice before it is due to end.

You may ask us to reduce your credit card limit

128. If you ask us to reduce your existing consumer credit card limit, we will enable you to do this online or by contacting us. This will be subject to any product features that apply (for example, where the product requires a minimum limit).

    You will still be required to first repay any amount above the new limit.

Credit card limit increases

129. We will not offer to increase your consumer credit limit on your existing credit card other than in response to a request by you for the increase in your credit limit.

You can ask us to dispute a transaction on your credit or debit card account

130. If, within the time limit set by your credit card or debit card scheme rules, you tell us that you dispute a transaction on your card, then we:

    a) will claim the relevant amount back if we find it be incorrectly charged and you have not contributed to the loss; or

    b) may accept the merchant's refusal to make that chargeback only if the refusal is made in a way allowed under the relevant card's scheme rules.

131. You have the rights under the above paragraph even if the payment was debited from your credit card or debit card account and was part of a recurring payment arrangement you have with that merchant.

132. You may also have a right to dispute an unauthorised transaction under the ePayments Code or as contained in your terms and conditions.

133. We will make general information about disputed transactions available to you and notify you of the availability of this information at least once every 12 months.

CHAPTER 34

Direct debits and recurring payments

We will give you a list of your direct debits and recurring payments

134. If you ask us to, we will give you a list of direct debits and recurring payments on your accounts for up to the previous 13 months. The list will include only those direct debits and recurring payments that are known to us from the information we receive about your transactions.

The regular payments from your:

a) deposit account are called 'direct debits'. This is where you have given your deposit account details (BSB and account number) to allow a merchant or service provider to debit your account regularly to pay for the services they provide you.

b) credit or debit card are called 'recurring payments'. This is where you have given your credit or debit card details (card number, expiry date and security code) to allow a merchant or service provider to charge your credit or debit card regularly to pay for the services they provide you.

What we will do when you ask to cancel a direct debit or advise us of a problem with a direct debit

135. You can ask us to cancel your direct debit request and we will promptly process this.

136. You can ask us to investigate an unauthorised direct debit and we will act promptly to assist you.

137. When we handle your cancellation or complaint, we will not inform you that you should first raise the cancellation or complaint directly with the merchant you pay through the direct debit. However, we may suggest that you also contact that merchant.

CHAPTER 35

Joint Accounts

How to use a joint account

138. If you have a joint account, we will tell you how you can use that account.

How you can stop withdrawals

139. If you have a joint account, from which either you or another account holder can make withdrawals, you can ask us to change the account authority so that you all have to approve any future withdrawals. This may be relevant to you if you are vulnerable (see chapter 14).

140. The above paragraph does not apply to directors of a company who are signatories on behalf of the company, rather than joint account holders in their personal capacity.

CHAPTER 36

Closing any of your banking services

We will give you information about closing your accounts

141. We will give you readily accessible information about how to close your account.

You may close your accounts

142. If you want to close your account, then we will enable you to do this quickly and easily. Some products may have a minimum notice period.

We may close an account that is in credit

143. We may close an account of yours under its terms and conditions if that account is in credit. If we do so, we:

a) will, if appropriate, give you reasonable notice of the closure;

b) will pay you the amount of the credit balance; and

c) may charge you an amount that is our reasonable estimate of the costs of closing your account.

We will tell you if we cancel your credit card

144. If we cancel your credit card we will tell you. If appropriate, we will give you the general reasons for doing so.

You can ask us to cancel your consumer credit card

145. If you want to cancel your consumer credit card, we will provide the ability for you to do this online or over the phone. If you ask us to, we will give you information about recurring payments and your outstanding balance.

CHAPTER 37

Your right to copies of certain documents

We will give you certain documents you ask for

146. We will, at your request, give you a copy of your documents in our possession including:

a) a contract — including terms and conditions, standard fees and charges and interest rates;

b) any mortgage or other security document;

c) a statement of account; and

d) any notice we previously gave to you which is relevant to us exercising our rights.

147. However, we do not have to give you a copy of either of the following documents under the above paragraph:

a) a notice requiring you to take action if you ask for the copy more than two years after the contract to which the notice relates was discharged or ended; or

b) a statement of account within three months after we gave you a copy of the same statement of account.

When we will give you the documents you ask for

148. If we are giving you a copy of a document under the above paragraph, then we will do so within 30 days.

We may waive or refund fees for providing you with a copy of a document or statement

149. We may charge you a reasonable fee for providing you with a copy of a document under this Code. However, in certain circumstances we may waive or refund that fee.

150. We may charge you a fee for hard copy statements that are not repeat statements. If you tell us, and we are reasonably satisfied that you do not have access to electronic statements, then we will waive or refund that fee.

CHAPTER 38

When we change our arrangements with you

When we can change the terms of conditions of our banking services

151. The terms and conditions of a banking service may allow us to change those terms and conditions in certain situations without your agreement where allowable under unfair contract terms laws.

When we tell you about a change to the terms and conditions of our banking services

152. If we change our terms and conditions, we will tell you about the change as soon as reasonably possible. This includes a change to:

    a) our standard fees and charges; or

    b) an interest rate.

153. If we change an interest rate, we will tell you no later than the date of the change, unless we are not able to because the interest rate is calculated according to a money market or some other external reference rate, or a rate otherwise designated as a variable or floating rate.

154. Apart from changes to interest rates or changes to repayments, if we believe a change is unfavourable to you, then we will give you prior notice of at least 30 days, subject to paragraph 155.

155. We may give you a shorter notice period, or no notice, of an unfavourable change if:

    a) It is reasonable for us to manage a material and immediate risk; or

    b) there is a change to, or introduction of a government charge that you pay directly, or indirectly, as part of your banking service. In that case, we will tell you about the introduction or change reasonably promptly after the government notifies us (however, we do not have to tell you about it if the government publicises the introduction or change).

How we will tell you about changes to our arrangements with you?

156. We will tell you about these changes either:

    a) by advertising in the national, or local, media; or

    b) by giving you written notice.

PART 9

When things **go wrong**

CHAPTER 39

Contact us if you are experiencing financial difficulty

What does "financial difficulty" mean?

157. Financial difficulty means you are unable to repay what you owe and are experiencing difficulty meeting your repayment obligations. This can be as a result of an unexpected event or unforeseen changes outside your control.

We encourage you to contact us if you are experiencing financial difficulty

158. If you are experiencing financial difficulty, then you, or your representative should contact us as soon as possible. We will discuss your situation and the options available to help you. The sooner you contact us, the sooner we can try to help.

If you have a joint account and are experiencing financial difficulty

159. If you have a joint account with someone and you are experiencing financial difficulty, then we can assist you. If you ask us to, we can do so without involving the other person initially.

If you guarantee a debt to us and are experiencing financial difficulty

160. If you are a guarantor and we have made a demand for you to pay under a guarantee and you are experiencing financial difficulty, then contact us as soon as possible and we will discuss your options.

Be open about your situation of financial difficulty

161. When you contact us, or are thinking about contacting us, it is important for you to be open, and as realistic as you can be, about your financial position. In turn, we will be compassionate in trying to understand your situation and when discussing any way we can help.

You can choose to have us deal with your financial counsellor or representative

162. If we are working with you to help you respond to financial difficulties, then you can tell us to deal with your financial counsellor or representative — rather than dealing with you. To do this, you will need to give us their contact details in writing.

163. However, if we have made reasonable attempts to contact, or deal with, your counsellor or representative but we are unsuccessful, then we will deal with you again.

We will respond promptly to you or your representative

164. We will respond promptly to you — or your representative's — request to discuss your financial difficulties. Our reply will be within the timeframes set by the National Credit Code, if it applies.

CHAPTER 40

We may contact you if you are experiencing financial difficulty

We may contact you if we think you are experiencing difficulty

165. We will employ a range of practices that can identify common indicators of financial difficulty. If we identify that you may be experiencing difficulty paying what you owe under a loan (or are experiencing financial difficulty), then we may contact you to discuss your situation and the options available to help you. We will do this on a case-by-case basis.

166. If we are able to contact you and discuss your situation under paragraph 165 and we offer basic bank accounts, and you are eligible, we will offer this product to you.

CHAPTER 41

We will try to help you if you are experiencing financial difficulty

We will work with you to help you respond to financial difficulty

167. With your co-operation, we will work with you to help you find a sustainable solution to your financial difficulties. Any help we can give will depend on your individual circumstances. We provide help to customers on a case-by-case basis.

We will give you information about our financial difficulty processes

168. We will make information publicly available about our processes for working with customers in financial difficulty.

What we will consider when deciding on assistance options

169. When we are deciding whether, and how, to help you with financial difficulty, we will take into account the information available to us, including information you give us about your financial situation.

Examples of how we may help you if you are experiencing financial difficulty

170. The table on page 47 sets out examples of steps we may be able to take to help you in particular situations.

When we may waive your debt

171. In exceptional circumstances, we may look outside normal processes to find a way to assist you if you are experiencing long term hardship as a result of a material change in circumstances.

172. If you are an individual, we may, at our discretion, reduce or waive your debt if it is an unsecured personal loan or credit card, on a case by case basis and on compassionate grounds, having regard to the following:

a) your individual circumstances;

b) if you are unable to meet your repayments now and in the future;

c) whether the hardship is genuine and being caused by factors outside your control; and

d) our commercial considerations.

We will tell you about the relevant National Credit Code provisions if they apply

173. We will tell you about the hardship provisions of the National Credit Code if they apply to you.

How we may be able to help

Restoring your financial position is possible

Our financial hardship arrangements focus on situations from which you can recover your financial position.

In these situations, we may be able to help you by:

- agreeing to interest only payments for a short period;
- extending the term of your loan to reduce your repayments; or
- temporarily postponing or deferring payments.

These arrangements may require you to pay more interest over the loan term.

What you can do

In these circumstances, contact us and we will help you work out what you need to do.

Restoring your financial position is unlikely

A permanent change to your financial situation may mean it is now unlikely that your financial position can be recovered — even if your existing loan were to be changed.

In that case, it may not be appropriate, for us to offer you changes to any payment arrangements under the *National Credit Code's* financial hardship process.

However, even in these circumstances, we may be able to offer you help — for example, options may include:

- agreeing on an alternative arrangement, plan or contract;
- changing the terms of your loan;
- giving you time to sell your property; or
- giving information about bankruptcy or insolvency arrangements.

What you can do

In these circumstances, contact us and we will help you work out what you need to do.

We may refer you to people who can help you find a financial adviser or financial counsellor.

174. We will tell you about your right to make a complaint to our external dispute resolution provider if we do not assist you under the National Credit Code.

We will not require you to access your superannuation

175. We will not require you to access your superannuation to pay any amount you owe us under a loan (unless you are borrowing for a self-managed superannuation fund). However, you may wish to discuss this option with a financial counsellor. You can also find out more about this from the Department of Human Services, see **humanservices.gov.au**

Other people who can assist you

176. If you ask us to, we will refer you to financial counselling organisations that may be able to help you. We may also recommend on our own initiative that you seek independent advice from a financial counsellor.

We will tell you about our decision in writing

177. We will tell you in writing:

a) whether we will provide you with help in relation to your financial difficulty; and

b) the reasons for our decision.

178. If we agree to provide you with help in the form of changes to your agreement with us, then we will tell you in writing about the main details of the arrangements, including:

a) the repayments you need to make under the proposed new arrangement;

b) what will happen at the end of the new arrangement; and

c) whether you accepting the proposed new arrangement will have any adverse consequences in relation to banking services or your credit history (for example, an entry in your credit report or cancellation of a banking service).

This does not apply to minor individual instances of help we provide — for example: deferrals, refunds or fee waivers.

CHAPTER 42

When you are in default

We will tell you if we report your default activity to a credit reporting body

179. We will tell you if we report any payment default of yours under your loan to a credit reporting body. You can also independently obtain a copy of your report directly from a credit reporting body.

Charging default interest during drought and natural disasters

179A.

a) Where you are a farmer and we have provided you with a loan for the purposes of a farming operation, we will not charge default interest (or any fee in lieu of default interest) on that loan during any period that the land you use for that operation is in drought or subject to natural disaster.

b) For subparagraph (a) to apply, you may need to tell us about the circumstances, and we will refund any default interest or fees in lieu of default interest which were charged during your default and the drought or natural disaster.

CHAPTER 43

When we are recovering a debt

We will comply with debt collection guidelines

180. We will comply with the ACCC's and ASIC's *Debt Collection Guideline: for Collectors and Creditors*.

181. We will comply with the *Code of Operation: Recovery of Debts* from Department of Human Services Income Support Payments or Department of Veterans' Affairs Payments.

182. If we sell a debt to another party, we will only choose a party that has agreed to comply with these guidelines.

What we will tell you if we sell your debt to another party and we will not be your contact

183. If we sell your debt to another party, and you will be obliged to pay the debt to that other party, and we will no longer be your contact, we will write to you to let you know and to explain:

a) that we have sold your debt; and

b) who we have sold it to.

We will not sell debt when we are considering your financial situation

184. While either of the following is the case, we will not sell your debt to anyone else if:

a) we are actively considering your financial situation:

i. under paragraph 167; or

ii. under the hardship variation provisions of the *National Credit Code*; or

b) you are complying with an arrangement that you and we agreed to after we completed any considerations of the type referred to in this paragraph.

185. However, we may transfer your debt in either of those circumstances if the transfer:

a) is part of a funding arrangement — for example, a securitisation or the issue of covered bonds or similar funding arrangements; or

b) is part of a sale of business or business restructure.

CHAPTER 44

Combining your accounts

We will inform you if we combine or set-off your accounts

186. If we combine or set-off your accounts, including using available funds in one of your accounts to repay a debt you owe us, then we will promptly inform you we have done so.

When we cannot combine your accounts

187. If you have an account that relates to any amounts you owe us under a loan that is regulated by the National Credit Code, then we may not combine that account in any of the following circumstances:

a) while we are actively considering your financial situation under either:

i. paragraph 167 of this Code; or

ii. under the hardship provisions of the National Credit Code; or

b) while you are complying with an arrangement you have made with us after we have considered your financial situation; or

c) if doing so breaches *Code of Operation: Recovery of Debts* from Department of Human Services Income Support Payments or Department of Veterans' Affairs Payments.

188. If we are considering your financial situation in either of the ways referred to in the above paragraph, then we may require that you keep funds in an account until we have decided whether to agree to your request.

CHAPTER 45

Helping with deceased estates

Deceased's representatives

189. We will treat the deceased person's representative with respect and compassion and provide clear and accessible information on what you, the deceased's representative, can do to manage a customer's account in the event of their death. This information will include:

a) how to notify us of a customer's death;

b) who has authority to access the customer's account or loan details;

c) what information we need to verify the identity and authority of that person; and

d) what steps the person authorised needs to take to manage the deceased customer's accounts, including information about direct debits and recurring payments on those accounts, and we will assist you to manage direct debits and recurring payments in the ways outlined in Chapter 34.

190. Once notified of a customer's death we will:

a) identify any fees that are for products and services that can no longer be provided, or will not be provided to the deceased's estate;

b) stop charging those fees;

c) if any fees referred to in paragraph (a) have already been charged since the customer's death – refund those fees; and

d) act on instructions concerning a deceased 's account from a person named in a grant of probate or letters of administration within 14 days of receiving the necessary information.

191. Prior to probate or letters of administration being granted, if we receive a request from a person authorised by a will, a person identified as a next of kin in the death certificate or other official document acceptable to us, or a person who has applied for letters of administration, and on providing a copy of the death certificate, we will, within 14 days of receiving the necessary information:

a) provide access to information about the deceased's account including relevant ongoing fees; and

b) receive payment towards a debt owed to us by the deceased.

Joint accounts

192. If you are a joint account holder with a deceased customer, you may continue to operate the account subject to the terms and conditions of the account.

PART 10

Resolving your complaint

CHAPTER 46

Our Customer Advocate

We will have a Customer Advocate in our bank

193. We will have a Customer Advocate in our bank to help facilitate fair customer outcomes and minimise the likelihood of future problems.

The Australian Banking Association's *Guiding Principles for Customer Advocates* are available at: ausbanking.org.au

CHAPTER 47

If you have a complaint about us

You can access free internal and external dispute resolution processes

194. If you have a complaint, contact us in the first instance

195. If we are unable to resolve your complaint to your satisfaction, we will give you information on how you can take your complaint to the Australian Financial Complaints Authority **(AFCA)**.

196. Both our internal dispute resolution process and external dispute resolution provider will comply with ASIC guidelines.

We will publicise our dispute resolution processes

197. We will publish, and make readily available, information about our internal dispute resolution processes and our external dispute resolution provider through:

a) our branches;

b) our telephone banking services; and

c) our websites or other digital platforms.

Farm debt mediation

198. Before we enter into a farm debt mediation with you, we will inform you that you may have a right, as an alternative to farm debt mediation, to make a complaint to our external dispute resolution provider.

199. If we do not reach an agreement at a farm debt mediation and you then decide to make a complaint to our external dispute resolution provider, we will give our consent for the external dispute resolution provider to consider the complaint. This paragraph only applies where your complaint would have been excluded by our external dispute resolution provider because it had previously been the subject of a farm debt mediation.

CHAPTER 48

How we handle your complaint

We will be fair and reasonable and will keep you informed

200. We will ensure our process for handling your complaint is fair and reasonable.

201. We will keep you informed of the progress of your complaint.

202. We will give you the name of a contact person who is handling your complaint and a way to contact them.

Responding to your complaint

203. When we have completed our investigation, we will provide you a written response, which will include:

a) the outcome of our investigation of your complaint;

b) your right to take your complaint to our external dispute resolution provider; and

c) the name and contact details of our external dispute resolution provider.

Timeframes for handling your complaint

204. If we resolve your complaint to your satisfaction within five business days, we do not need to provide you with a written response as outlined in paragraph 203, unless you ask us. This does not apply to a complaint relating to hardship, a declined insurance claint or the value of an insurance claim.

205. If we are unable to resolve your complaint within 21 days, we will tell you that we need more time to investigate the complaint.

206. If we are unable to resolve your complaint within 45 days, we will:

    a) tell you the reasons for the delay;

    b) tell you the date by which you can reasonably expect to hear the outcome of our investigation; and

    c) give you monthly updates on the progress; and

    d) provide you with the name and contact details of our external dispute resolution providers.

    However, we do not have to keep you informed in this way if you have not responded to requests for additional information from us, and your non-response is preventing us from dealing with your complaint.

CHAPTER 49

Code monitoring, complaints and sanctions

Code complaints, monitoring and sanctions

207. We have established an independent code monitoring body, the Banking Code Compliance Committee (**BCCC**), to monitor our compliance with this Code.

Members of BCCC

208. The independent BCCC, established under this Code, is comprised of the following members:

    a) an independent chairperson - appointed jointly by AFCA and the ABA; and

    b) a consumer representative – appointed by consumer representatives on the Board of AFCA; and

    c) a banking representative – appointed by the ABA.

    The BCCC acting unanimously will appoint, on terms it thinks appropriate, a person or a panel of persons, with expertise in small business and/or agribusiness to act as a consultant on small business and agribusiness issues. The consultant will provide advice on small business/agribusiness matters where requested by the BCCC.

You can contact the BCCC about a breach of this Code

209. If you want to report an alleged breach of this Code you can contact the BCCC.

210. If you have a specific dispute with your bank that involves a breach of this Code, you should contact your bank in the first instance, and then your bank's external dispute resolution provider.

Powers and role of the BCCC

211. In relation to the Code, the BCCC has the following powers:

    a) monitor and oversee compliance with the Code;

    b) investigate any allegation of a Code breach noting its priority pursuant to its charter;

    c) as appropriate, investigate serious or systemic breaches;

d) request information from subscribing banks and other stakeholders;

e) make findings and recommendations on Code breaches;

f) apply sanctions;

g) provide guidance and reports; and

h) undertake other functions and responsibilities as reasonably determined from time to time.

In addition, the BCCC will endeavour to:

i) drive improvements in compliance with the Code to achieve best practice; and

ii) promote awareness of the Code and the role of the BCCC through engagement with key stakeholders.

When the BCCC is undertaking its investigation function it will prioritise its efforts on monitoring and public assurance. Prioritising investigative effort will have regard to factors such as: number of customers affected, severity of breach and public interest.

BCCC resources

212. The ABA will ensure that the BCCC has sufficient resources and funding to carry out its functions. More information on the BCCC is available in its charter on the BCCC website.

We will comply with requests of the BCCC

213. We will co-operate and comply with all reasonable requests of the BCCC in the performance of its monitoring and investigative activities.

BCCC Powers and Sanctions

214. The BCCC has the power to apply sanctions to a Code subscriber for a breach of this Code where a finding has been made that:

a) the breach is serious or systemic;

b) the bank has failed to act on the BCCC's request to remedy a breach, or failed to do so within a reasonable time;

c) there has been a breach of an undertaking given to the BCCC;

d) the bank has not taken adequate steps to prevent a serious or systemic breach from reoccurring; or

e) the bank has not co-operated and complied with reasonable requests of the BCCC in the performance of its monitoring and investigative activities.

215. The BCCC may impose one or more sanctions after considering the seriousness of the breach. Sanctions available to the BCCC are:

a) requiring the bank to rectify or take corrective action on the breach identified;

b) requiring a bank to undertake a compliance review of our remediation actions;

c) formally warning a bank;

d) requiring a bank to undertake a staff training program on the Code;

e) naming a bank in the BCCC annual report or website; and

f) reporting serious or systemic ongoing instances where a bank has been non-compliant to ASIC.

Acronyms

ABA	The incorporated entity named Australian Banking Association or by an approved change of name
ACCC	Australian Competition and Consumer Commission
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities and Investments Commission
ATM	Automatic teller machines
BCCC	Banking Code Compliance Committee
BSB	Bank State Branch
NCC	National Credit Code

Definitions

'the Code'	The *2019 Banking Code of Practice* as published by the ABA at the commencement date.
Asset finance	Financial accommodation provided by us: (a) for the acquisition, lease, rental, hire purchase or otherwise of a tangible asset that is not land; and/or (b) to fund the payment of any insurance products acquired in connection with that asset.
Australia	Includes the coastal sea of each jurisdiction but does not include an external territory.
Bank	Means a corporation authorised by law to carry on the general business of banking in Australia and that is authorised under the *Banking Act 1959* to use the word 'bank' or a similar expression in its name.
Card scheme	Mastercard, Visa, eftpos, American Express, Union Pay or Diners Club.
Commencement date	The date that we first subscribe to the Banking Code of Practice.
Commercial asset financing	Asset finance provided by us to a business.
Commercial asset financing guarantor	A guarantor that is a director, shareholder or manager of a company, that has provided a guarantee for the company's commercial asset financing.

Complaint	An expression of dissatisfaction made to us in relation to a banking service, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.
Consumer credit insurance	Insurance that provides cover if you can't meet the repayments on your loan because you lose your job, you are sick or injured, or you die.
Days	Calendar days.
Default	You are 'in default' if you fail to meet any of the terms and conditions of the contract.
Default based action	Exercising a legal or contractual right as a direct result of an event of default.
Device	A device given by us to you that is used to perform a transaction. Examples include, ATM card, debit card or credit card, contactless device.
Director guarantor	A guarantor of a loan who is a director of a company which is to be the debtor for the loan.
Dispute	Has the same meaning as complaint.
eftpos	Proprietary or domestic debit cards managed by eftpos Payments Australia Limited.
Enforcement proceedings	For a small business: a) commencing proceedings in a court to recover a debt or to recover possession of property subject to security; or b) otherwise enforcing security by taking possession (or seeking to take) of security property, exercising a power of sale over security property, appointing receivers or receivers and managers, appointing voluntary administrators, or making application to a court for the appointment of provisional liquidators or the appointment of a trustee in bankruptcy; or c) enforcing a judgment against you, a guarantor, or your or their assets.

Loan	The credit or financial accommodation provided to you under the banking service, including, but not limited to, credit facility, credit contract, loan facility, home loan, personal loans, bill facilities, overdrafts, commercial asset finance.
Merchant	A provider of goods and services.
National Credit Code	Means the National Credit Code set out in Schedule 1 of the *National Consumer Credit Protection Act 2009*.
Related entity	As defined in section 9 of the *Corporations Act 2001 (Cth)*.
Security	Includes, without limitation, mortgage of and a security interest within the meaning of the *Personal Property Securities Act 2009*.
Sole director guarantor	A guarantor of a loan who is a director of a company that has only one director, and that company is to be the debtor for the loan.
Standard fees and charges	Fees and charges normally charged by us in respect of a banking service.
Terms and conditions	Terms and conditions specifically applied by us to a banking service, but does not include any other terms and conditions that may apply by operation of law.
Trustee guarantor	A guarantor of a loan where the guarantor and the debtor are the same person, and that person is acting as trustee of a trust in one of these roles and is acting in their personal capacity in the other role.
Unauthorised transaction	A transaction that is not authorised by you.
Vehicle asset financing	Asset finance provided by us to an individual that is not a business, in relation to a motor vehicle and/or any related insurance products.
Vehicle asset finance guarantor	A guarantor who has provided a guarantee for the vehicle asset finance of an individual that is not a business.

Transitional period

For the purpose of this section the **transition date** means 1 March 2020.

Release 1 means the Banking Code of Practice 2019 released 1 July 2019.

Application to Banking Services

This Code will apply to every banking service for which you enter into an agreement with us on or after the transition date.

For ongoing banking services that we were providing you as at the transition date or where documentation was sent to you before the transition date:

a) the terms and conditions of that banking service need not comply with this Code, and will continue to apply even if they are inconsistent with this Code. If we provide you with revised terms and conditions after the transition date, those revised terms and conditions will comply with this Code;

b) this Code applies where it relates to matters that are not specifically dealt with in the terms and conditions of that banking service;

c) this Code does not affect things we did in relation to that banking service before the transition date. If our banking service arrangements with you as at the transition date complied with Release 1, or with the 2013 Code as contemplated by Release 1, they will continue to comply with this Code even if this Code would have required something to be done differently.

Application to guarantees

This Code will apply to every guarantee which you enter into on or after the transition date.

For guarantees that you entered into before the transition date or where documentation was sent to you before the transition date:

a) the terms and conditions of that guarantee need not comply with this Code, and will continue to apply even if they are inconsistent with this Code. If we provide you with revised terms and conditions after the transition date, those revised terms and conditions will comply with this Code;

b) if after the transition date we ask you to increase the limit of your guarantee, we will comply with the relevant provisions of this Code;

c) this Code applies where it relates to matters that are not specifically dealt with in the terms and conditions of that guarantee;

d) this Code does not affect things we did in relation to the guarantee before the transition date. If our guarantee arrangements with you as at the transition date complied with Release 1 or with the 2013 Code as contemplated by Release 1, they will continue to comply with this Code even if this Code would have required something to be done differently.

2013 Code

The 2013 Code or Release 1 will not apply to any banking service or guarantee to the extent that this Code applies.

Australian Banking
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