

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

Australia and New Zealand Banking Group Limited

ANZ05QON: Hansard p. 27

Debt repayment and management service

Mr KEOGH: Good. Eighteen months ago, the ABA announced its Better Banking reforms and created a nice website. One of those reforms was the debt repayment and management service. On the site, it describes it as the following: 'As part of a commitment to help customers in financial difficulty, banks are working with financial counsellors to establish a new debt repayment service for people struggling with multiple debts. This page will be updated with more details as they become available.' That was 18 months ago. Where is it up to now?

Mr Elliott: To be honest, I'd have to come back to you. I'm not sure. I'm not over the detail of the debt repayment service.

Mr KEOGH: Any idea of progress?

Mr Elliott: No. As I said, I'd have to take that on notice. I'll come back to you on the details of that.

ANSWER

In January 2017, the ABA announced a Debt Repayment Service (DRS) would be set up to assist individuals who are struggling financially with multiple unsecured debts. The DRS will provide debt arrangements across multiple banks and financial hardship support programs.

A DRS not-for-profit company has been formed (structured as a public company limited by guarantee under the business name Way Forward), initial funding has been provided by the four major banks, and a Board has been appointed. The DRS has commenced a pilot phase this month (October 2018).

The initiative is a partnership between the four major banks and Financial Counselling Australia. The Board consists of directors from each of the major banks, four consumer directors and an independent chair.

A consultancy has been working with the parties over the last year developing the business model and setting up the business.