

**House of Representatives Standing Committee on Economics  
Review of the Four Major Banks (Second Report)  
National Australia Bank (NAB)**

**NAB40QW:** In January 2017, the Code Compliance Monitoring Committee (CCMC) released its findings from an own motion inquiry into the provision of credit by the banks. It identified a number of responsible lending issues, including banks not collecting and verifying enough information about customers when processing credit card limit increases and not properly assessing customers' ability to repay their credit card balances. What are the banks doing about the issues identified by CCMC?

**Answer**

NAB is a subscriber to the Code of Banking Practice and a strong supporter of the work undertaken by the Code Compliance Monitoring Committee (CCMC). NAB welcomed the CCMC's Own Motion Inquiry into the Provision of Credit published in January 2017, which has provided recommendations on additional ways banks may further strengthen lending processes.

NAB continuously works to ensure we meet our responsible lending obligations under the *National Consumer Credit Protection Act (Cth)* 2009. Specifically in relation to credit card limit increases, NAB continues to adopt and strengthen its responsible lending practices in accordance with ASIC Regulatory Guide 209 – Credit Licencing: responsible lending conduct. In August 2016 NAB commenced a phased introduction of 100% manual income verification to further enhance the credit card limit increase process.

A number of the CCMC's recommendations are being addressed by NAB via internal programs of work which were already underway prior to the report's publication. Some of the CCMC's recommendations will require technology changes, such as changes to automated credit decisioning tools. Any such changes would need careful planning prior to implementation.