

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Westpac

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Mr THISTLETHWAITE: The people involved in this unit conducted calls in accordance with a quality monitoring framework that sets out the structure of the calls to each customer. So the first process that they are meant to go through is called 'gather' where they ask the customers questions 'to gather, uncover, clarify and develop an understanding of the customer's needs, interests, motivations and requirements'. Second is 'presenting', where they present to the customer based on what the customer said in the gather section, including linking the customer's motivations back to the products being offered in the campaign. And third is the 'objection handling closing', which is aimed at overcoming any objections raised by the customer to rolling over their superannuation into a BT account and where they use the end of the call to move the customer closer to a sale. It looks like one of those campaigns, which I thought Westpac was moving away from, whereby you are pushing onto customers these products that might not be in their best interests. Were there any incentives associated with this campaign for those people who were working on it?

Mr Hartzler: I believe there were changes in the way that the sales compensation was paid to those people, but certainly they were a sales unit, so they would have had some incentives. I am afraid I do not know off the top of my head exactly how that works but I am happy to take that on notice.

Mr THISTLETHWAITE: Yes, could you take that on notice, particularly if there are any bonuses for getting someone to move over. It would be good if you could tell us about that.

Answer: The employees who worked on the campaigns were eligible for a discretionary incentive scheme. Eligibility for this scheme required those employees to meet a number of compliance standards, including the completion of mandatory compliance training and passing regular compliance checks.

The discretionary incentive scheme was part of the employees' balanced scorecard, which included both revenue and sales quality components. Staff were only eligible for an incentive payment if they achieved a strong performance across each component of their scorecard and had met their relevant compliance standards.

Following July 2015 all revenue related components of the scorecard were removed from the scheme and were no longer applicable. This included the removal of all components related to the number of customers who rolled over, conversion rate, and the amount of money rolled over.