

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ67QON: **Dr LEIGH:** In July, NAB announced that it would be the first of the Australian banks to cease dealing with unlicensed fee-charging debt-management providers, so-called 'debt vultures'. They felt that that was an appropriate decision in the context of the COVID crisis. Will ANZ follow their lead?

Mr Elliott: I'm going to have to defer because I'm not up to date on this one. Mark, do you have any comments on that?

Mr Hand: Just to say that I'm not actually sure how NAB will operationalise that, because the firms that are used are at the customer's choice. Customers make a decision as to who represents them. We can't refuse to deal with the customer or their representative if they want to deal with us. We obviously see players in the market that we think are better players to deal with, but we have no influence over which representation a customer chooses.

Dr LEIGH: So you don't have any plans to cease dealing with debt vultures?

Mr Elliott: I think, Dr Leigh, what my colleague is suggesting is that the customer chooses to work with one of them. If we then refuse to work with them, we're essentially refusing to work with our customer. So it's sort of a circular question. We preference that they don't use those people, but it is their choice. Maybe I don't understand particularly what NAB are saying, and maybe it's worth us having a look into the detail precisely of what they are suggesting. We do know that AFCA have banned at least one of those representative firms. They will not deal with a certain firm. But I'll take that away and just look and see if I rightly understand what NAB is doing.

Answer: We do not intend, at this stage, to cease dealing with all unlicensed or licensed debt management firms (**DMF**). We will, however, continue to review our practices and the conduct of each firm. We are participating in the work of the Australian Banking Association on this topic.

We note that when dealing with our customers, we need to comply with our obligations under Banking Code of Practice to deal with a customer's representative where our customer asks us to do so (clause 162) and to comply with the ASIC/ACCC Debt Collection Guideline (**DCG**) (clause 180).

The DCG sets out situations where we can contact a customer represented by the DMF directly. These include situations where we reasonably believe that the representative is acting against the debtor's best interests. Where we

form a view that the DCG permits us to contact a customer directly, we will do so in line with the requirements of the DCG.