

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020

**Division/Agency:** Australian Prudential Regulation Authority

**Question No:** APRA01QON

**Topic:** Complaints

**Reference:** Hansard, 26 February 2021, p. 37

**Member:** Senator Gallacher

#### Question:

**Senator GALLACHER:** Have complaints gone up or down in the COVID period?

**Mr Holland:** We get a range of reporting on banks' credit portfolios. We don't have reporting around individual complaints; we don't have that number to hand. For individual complaints the avenue is open for consumers to access AFCA's services.

**Senator GALLACHER:** Would this legislation, enacted, require more work by APRA or less?

**Ms Roberts:** We don't see this legislation impacting the volume of work that we have. We practise constant supervision. We stay in close contact with our ADIs and we hold them to a very high standard. So we do not see that this legislation would change that.

**Senator GALLACHER:** Have complaints to APRA in the 2020 year increased or decreased?

**Ms Roberts:** I don't have the answer to that question, we would have to take that on notice.

**Senator GALLACHER:** Perhaps you can take that on notice; that's fine.

**Ms Roberts:** Yes, thank you.

**Senator GALLACHER:** The same with AFCA: if you have access to that information, it might help the committee to get a picture of what's happening. We have evidence from the Law Council that this is a bad thing; there'll be less redress. We want to get a picture of what's actually working.

#### Answer:

APRA's mandate is focused on individual bank safety and financial system stability. APRA therefore targets systemic matters at an institution level, rather than pursuing individual consumer complaints about products and services.

While APRA does receive some correspondence from consumers, these are often limited to general queries. Complaints are received; however, as APRA is not a complaints handling body, these are relatively low in number. This makes it difficult to make meaningful conclusions about historic trends in consumer dissatisfaction, with the exception of complaints directly related to APRA's own activities.

For the financial sector, the primary complaints handling body is the Australian Financial Complaints Authority (AFCA). APRA has a strong working relationship with AFCA. Through regular engagements, APRA refers individual borrower complaints to AFCA and AFCA shares data on systemic issues with APRA. AFCA's published complaints data is available here: [data.afca.org.au](https://data.afca.org.au) and is also summarised in their annual report here: <https://www.afca.org.au/media/1057/download>. This includes detailed data on trends, complaints by products and in particular sectors.