



## **Westpac responses to Questions on Notice**

### **1. On notice, could I ask each of you to respond to the Australian Institute of Conveyancers' submission and their evidence today?**

Westpac's priority in the interoperability reform is to ensure that the customer experience remains consistent, and the process is robust, secure and capable of delivering the same or improved on-time settlement outcomes for customers.

Banks and industry participants have invested significantly in improving the rate of successful settlements since the transition to electronic conveyancing. Between October 2024 to August 2025, Westpac Group has maintained a successful settlement rate of 100% for over 200,000 settlements, except for the months of October 2024 and May and July 2025, which had a settlement rate of 99.8%, 99.9% and 99.9% respectively.

The customer's needs must remain at the heart of this project – in this respect, for every purchase, there are two parties, a person or family who is selling their home and wants their money, and a person or family who is buying their new home and expects their money to be delivered safely.

Customers have enjoyed high rates of successful settlements and have rightly come to expect a seamless, consistent experience on what is often one of the most important days of their lives. The Australian Institute of Conveyancers (AIC) evidence similarly underscored the importance of maintaining high settlement success rates and reaffirmed the expectation from customers that settlements are completed on time.

Westpac has concerns that settlements in the proposed interoperable environment will be disrupted, increasing financial risk and the likelihood of failed transactions for customers. Despite efforts throughout the six-year duration of the program, these issues remain unresolved. The AIC acknowledged that the current interoperability model is more complex than stakeholders initially anticipated. These challenges have real-world consequences, most notably, a heightened risk of delayed settlements for customers.

In this context, we note the Government's continued focus on productivity and the broader policy reform agenda. It is critical that the challenges within the proposed interoperability program, and the viability of any alternative models, are thoroughly examined as part of the Government's ongoing reviews.

The goal must be to deliver a model that genuinely meets customer outcomes and expectations. The pursuit of a model for the policy objective of increasing competition is an important consideration, but it must balance the risk of consumer outcomes at settlement.

If the risks to consumers are too great, there are other alternate policy levers available to governments to regulate monopoly supply chains, ensuring that customers continue to receive financial and settlement certainty.

Westpac remains committed to supporting ongoing reviews to ensure practical, informed and customer-centric solutions are achieved.

### **2. On notice, whether you have received any recompense for failure points in a service provided to your entities by PEXA or Sympli?**

Westpac has not received recompense for failure points in a service provided by PEXA or Sympli.



- 3. It sounds to me that the Australian banking industry supports interoperability—with heavy caveats: robustness, customer safety, security. What I'm keen to understand is the granularity. What is the robustness test, actually? What is the customer-safety test, actually? On notice, can each bank provide, in granular detail, what those statements mean—functionally?**

and

- 4. Could I add an additional item on notice around cost-effectiveness— because some of this is also about the cost to you of interoperability?**

Westpac believes it is essential that any move toward interoperability is underpinned by a cost-benefit framework that ensures value for customers, maintains or improves settlement integrity, and does not introduce new risks for subscribers or the broader system.

The Australian Banking Association has consistently asked for detailed information on the scope, design and implementation of critical financial settlement items that are required for transactions to occur successfully under the interoperability model. This information has not been provided to banks.

In addition to the current lack of clarity around financial settlement, there are gaps in assurance and documentation regarding the management of key elements, such as technology changes, daily settlement processes, cybersecurity risks, and operational or platform-related issues, with the same level of reliability and certainty as the existing system. There is also no clearly defined process for managing ongoing innovation or coordinating changes across Electronic Lodgment Network Operators (ELNOs) and subscribers in a multi-ELNO environment.

Without this clarity, it is not possible to conduct a full analysis of the interoperability costs associated with the interoperability program. Until these issues are resolved, Westpac is concerned that settlements in an interoperable environment may be disrupted, increasing financial risk and the likelihood of customers being impacted by delayed settlements.

Given the passage of time since these issues were first raised and noting the Government's focus on productivity in the economy, we welcome the Government's reviews underway on potentially simpler and more targeted alternative models, such as price regulation and monopoly oversight. Westpac remains committed to supporting these reviews to ensure practical, informed and customer-centric solutions are achieved.

As noted above, it's important that both Government and industry remain vigilant to any potential risks that could affect the mortgage settlement process for home sellers and buyers, a process that currently operates at an effective rate of 100% accuracy for Westpac Group.

- 5. On notice, could each bank categorically state that—as CPS 230 item 20 requires—the board consciously considered the application of CPS 230 in the context of the e-conveyancing platform provided by PEXA?**

The Westpac Board has provided oversight on the delivery of the CPS 230 program, including in relation to operational risk, resilience and material service providers, including PEXA as a material service provider for critical settlements operations. The Board has also approved impact tolerances and the Business Continuity Plan for critical settlement operations and receives aggregate risk reporting.