

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

Australia and New Zealand Banking Group Limited

ANZ17QW: Thistlethwaite

Breach reporting to ASIC

Why has ANZ been the slowest of all big 4 banks to report breaches to ASIC?

ANSWER

ASIC Report 594 (the Report) into significant breach reporting (released on 25 September 2018) found unacceptably long periods in identifying and investigating potential compliance incidents which may require reporting to ASIC under s. 912D of Corporations Act 2001.

ANZ acknowledges these findings, and that ASIC found that the investigation phase for ANZ moved more slowly on average than in the other major banks.

ANZ does not consider that there is any single cause for this. However, historically ANZ's practice has been to investigate matters thoroughly to (among other things) inform decisions on breach reporting and we acknowledge that this has contributed to longer investigation periods in some cases. ANZ acknowledges that in some cases it has failed to quickly recognise systemic issues and elevate them to senior management for action. In some cases, underlying complexity resulting from the systems and processes applied to deliver services has been a factor.

ANZ has established an Event Management and Significant Breach Reporting Project that will examine and make changes to ANZ's processes for identifying, managing and escalating reportable events, to reinforce a sound breach management culture and a focus on timely investigation.