

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Securities and Investment Commission

Question No: 178

Topic: Report 256 – Consumer Credit Insurance

Reference: Written

Senator: Ketter, Chris

Question:

ASIC Report 256, Consumer credit insurance: A review of sales practices by authorised deposit-taking institutions” made a number of recommendations to improve practices relating to the sale of consumer credit insurance in 2011.

1. Have ADIs implemented those recommendations?
2. Please provide an update with respect to current compliance with each of those recommendations in the report.
3. Have any instances of non-compliance with those recommendations come to ASIC’s attention?

Answer:

1. All 15 ADIs involved in the 2011 review of sales of CCI by banks agreed to implement the recommendations in Report 256 and many had already made the necessary changes to their practices and processes, including those against which ASIC had previously taken compliance action (<http://asic.gov.au/about-asic/media-centre/find-a-media-release/2011-releases/11-224mr-asic-seeks-improvement-in-cci-sales-practices/>).
2. ASIC has not yet carried out a broad review of compliance with the recommendations in Report 256. ASIC is planning a review of CCI, which is being scoped. The review will consider compliance with the recommendations in Report 256.
3. ASIC is aware of instances of non-compliance with the recommendations, which are currently the subject of ASIC surveillances, and ongoing enquiry with particular ADIs.