



Customer Owned Banking 2020 Code of Practice

Initial CRK Draft

About the Code

The Customer Owned Banking Code of Practice is the industry code of practice for Australia's customer-owned banking institutions (mutual banks, credit unions and building societies).

The Code has been developed by the Customer Owned Banking Association (COBA) working with COBA members, [COBA customers], consumer groups and other stakeholders. This version of the Code has been approved by the Australian Securities and Investments Commission under section 1101A of the Corporations Act 2001 and applies from [1 January 2021].

Around four and a half million Australians bank with a customer-owned banking institution. Accordingly, customer-owned banking institutions add greatly to the competitive landscape in Australia. We meet the same regulatory standards as other banks and are prudent and strong financial service providers.

We are different in that we offer customers the opportunity to bank with an institution in which they have an equal ownership stake along with all other customers. Typically, customer-owned banking institutions have their origins in a particular community and we retain today our emphasis on contributing to the community in which we operate.

Our Code is an important public expression of the value we place on improving the financial wellbeing of our individual members and their communities. This is the reason that we exist.

The Code operates in addition to legislative requirements and establishes higher standards than the law requires and addresses issues not addressed by the law. It comprises seven key promises and detailed supporting obligations. It includes a requirement that we incorporate these obligations into our contracts with customers.

[All COBA members are required to adopt this Code] and to agree to abide by these higher standards and additional requirements. Because these obligations are part of our contract with customers, both the key promises and the detailed obligations are able to be enforced by customers.

Customers can have confidence in knowing they are covered by a market leading, plain English commitment to fair and customer-centric banking.

Mike Lawrence

Chief Executive Officer

Customer Owned Banking Association

Part A – Our promises to you

We will comply with this Code in our dealings with you. We will incorporate this Code by reference in our written Terms and Conditions for products and facilities to which the Code applies. We will do this within six months of the commencement date of this Code [or, if later, within six months of becoming a COBA member].

Our Code obligations include the following key promises that we make to you as our customers and owners.

1. We will deliver banking services in the interests of all of our customers
2. We will obey the law
3. We will not mislead or deceive
4. We will act honestly and fairly
5. We will offer products and services that are fit for general purpose
6. We will deliver services with reasonable care and skill
7. We will contribute to the community

Part B – Delivering on our Promises

Advertising and promotion

8. We will ensure our advertising and promotional material is not misleading or deceptive and is appropriate for the targeted audience.
9. We will not mislead or deceive you either by what we say or represent, or by omission (what we fail to say or represent).
10. We will ensure that any advertising or promotional images do not contradict, detract from or reduce the prominence of any statements made.
11. We will have regard to ASIC regulatory guidance about advertising financial products and services including credit when developing and reviewing our advertising and promotional material.
12. We will not engage in pressure sales techniques when promoting our products and services to you. High-pressure sales tactics include (for example):
 - a. applying psychological pressure to persuade you to make a quick decision to acquire our products or services (eg. by unfairly appealing to your emotions)
 - b. continuing to seek to persuade you to acquire our products or services after you indicate you do not want to do so.

Accessible banking services

13. We will take reasonable steps to improve the accessibility of our banking services for individual customers including customers who speak English as a second language, older customers, people with a disability and Aboriginal and Torres Strait Islander People.
14. If at the time you apply for a new banking product, either you tell us that you are on a low income or we are aware that you receive a Commonwealth pension or hold a Commonwealth concession card, we will give you information about banking products that we offer that may be more favourable for you.
15. We will adapt our customer service standards where reasonably practicable where we are aware that you have special needs. For example, this might be because of your age, disability, ethnicity, because English is not your first language or because you are unfamiliar with banking products and services.
16. We will train our staff how to identify those who have special needs and how to adapt our customer service standards for them in a sensitive and helpful way. Our training will include awareness of the possibility of elder abuse.
17. We will take extra care if we become aware that you are experiencing:
 - a. age-related impairment;

- b. cognitive impairment;
- c. elder abuse;
- d. family violence;
- e. financial abuse;
- f. mental illness;
- g. serious illness; or
- h. other personal or financial circumstance causing significant detriment.

18. We will offer to communicate with you through a telephone interpreter service if you do not speak fluent English and we think that you would clearly benefit from this assistance.
19. We will offer to communicate with you through the National Relay Service if you have hearing difficulties and we think that you would clearly benefit from this assistance.

Information about our products

20. We will make general information about our products and facilities readily available in a timely manner to anyone who wants it. This information will be:
 - a. clear, concise and accurate
 - b. written in plain language
 - c. generally sufficient to allow you to make an informed decision about the product or facility, and
 - d. consistent with any applicable legal requirements.
21. We will make a copy of the standard Terms and Conditions applying to a product or facility available to you. We will not require you to apply for the product or facility first.
22. We will answer any questions you have about the features of our products and facilities and how they work.
23. If you ask us for advice about any of our banking services, we will provide advice through staff who are trained to provide that advice or we will suggest that you obtain advice from a lawyer, accountant, financial adviser or financial counsellor.

Interest rates, fees and charges

24. We will regularly review any fees and charges on our products and services.
25. We will make sure any exception fees we charge (including credit card late payment fees, account overdrawn or dishonour fees, direct debit dishonour fees, cheque dishonour fees, and ATM failed transaction fees) are reasonable having regard to our costs. Our costs include charges imposed by our service providers, where applicable.
26. We will make sure any loan break fees we charge you are reasonable having regard to our loss arising from your early termination of your loan.

27. Interest rates and fees and charges applying to our products and facilities will be readily available to anyone who wants this information. The information will be clear, concise and up-to-date.
28. In the case of products with variable interest rates, we will tell you what the current rate is when you apply for the product. We will also use a range of methods to publicise our rates. On request, we will explain to you how our interest rates are calculated and applied.
29. Our information about interest rates will include how and when different interest rates apply, the method by which interest is calculated and when interest will be debited to your credit account.
30. Our information about fees and charges will cover all applicable fees and charges and how often they are debited to your account. This information will include non-standard fees that only apply in particular situations (e.g. fees if you overdraw your account or are late in making your payments). We will also provide general information to our customers on how to avoid or minimise fees and charges.
31. We will answer any questions you have about the fees applying to a product or facility in a timely manner.
32. We will regularly review the effectiveness of our disclosure of fees and charges to customers.
33. We will inform you of a transaction service fee (e.g. a bank cheque fee), immediately before you incur the fee, if it is practical and reasonable for us to do so.

Exchange rates and commissions

34. If we provide you with a foreign exchange service (other than by credit or debit card or travellers' cheque), the information we give you will include:
 - a. details of the exchange rates and commission charges that we know will apply – and if we do not know those details how to find out the relevant information at the time of the transaction; and
 - b. an indication of when money we send overseas for you would normally arrive at the destination.

Low or no fee transaction accounts for eligible customers

35. We may offer a low or no fee transaction account to you if you hold a Commonwealth concession card and meet other eligibility requirements.
36. If so, our terms and conditions will provide that if we process a transaction that causes your account to be overdrawn, we will rebate within 30 days an overdrawn fee or any interest on the overdrawn amount if we charge you either of these. This does not apply to an account where you have applied for and we have approved an overdraft facility or an account opened for you prior to this Code coming into effect.

37. If we offer eligible customers an account of this type, we will publicly disclose annually, for example in our annual report, how many of our customers have accounts of this type.

Term deposits

38. Our term deposit account terms and conditions will include:
 - a. how we will pay interest and repay the principal to you
 - b. how funds may be dealt with at maturity, and
 - c. details of any fee, charge, change in an interest rate resulting from a withdrawal in advance of maturity.

Cheque accounts

39. Our cheque account terms and conditions will include:
 - a. the normal length of time we take to clear a cheque
 - b. how you may arrange a faster clearance where we provide this service
 - c. how and when a cheque may be stopped
 - d. the meaning of 'not negotiable' and 'account payee only' and the significance of deleting the words 'or bearer' from a cheque
 - e. how you may write a cheque so as to reduce the risk of it being changed in unauthorised ways, and
 - f. when we will not pay a cheque, including if it is post-dated or stale.

Fair terms and Conditions

40. The standard Terms and Conditions applying to our products and facilities will be:
 - a. clear, unambiguous, and not misleading
 - b. distinct from our advertising and promotional material
 - c. written in a plain language style, and legibly presented.
41. Our standard Terms and Conditions will be consistent with this Code and will strike a fair balance between:
 - a. your legitimate needs and interests as our customer, and
 - b. our interests and obligations, including our prudential obligations.
42. This section is not intended to limit our right to determine the pricing of our products and facilities on a commercial basis.

Lending to Small Business customers

43. We will tell you what information we need to assess your application for a Small Business loan and the likely time we will take to decide whether to approve the loan.

44. We will exercise the care and skill of a diligent and prudent banker when assessing your ability to repay a Small Business loan for which you have applied. We will take into account information reasonably known to us about your financial position. In assessing your ability to repay, we may take into account the resources of your directors, shareholders and guarantors.
45. Our obligation in paragraph 44 is owed to a guarantor of a Small Business loan as well as the Small Business customer.
46. Before you accept a Small Business loan, we will provide you with an easy to read summary of the key terms and conditions of the loan. This summary may be a separate document or appear at the front of the loan document.
47. If we are unwilling to provide you with a Small Business loan, we will explain the general reasons to you if this is appropriate.
48. Our processes in relation to external expert valuations and investigative accountants' reports will be fair and transparent. This includes ensuring that:
 - a. the selected valuer or accountant is appropriately qualified and experienced, and
 - b. any conflicts of interest are appropriately managed.
49. We will provide you with a copy of our instructions to a valuer or accountant and their reports, if we have charged you or you have reimbursed us for these. Before providing these to you, we may require you to acknowledge in writing that you accept our reasonable limitations on your use of these.
50. We will not include a general material adverse change default clause in our standard Small Business loan contracts.
51. If you breach a Small Business loan payment obligation, we will give you at least 30 days' notice.
52. For other breaches, we will give you a reasonable timeframe to remedy the breach, if it is capable of remedy. This will be at least 3 months unless:
 - a. you or a guarantor goes into bankruptcy or voluntary administration
 - b. it becomes unlawful for you or us to continue with the loan
 - c. enforcement proceedings are taken against you or a guarantor by another creditor and we reasonably consider that this is likely to have a material impact on your ability to meet your financial obligations,
 - d. you deal with your assets in breach of your loan or security documents without our consent and we reasonably consider that this is likely to have a material impact on your ability to meet your financial obligations to us, or
 - e. you have breached the law and we reasonably consider that this is likely to have a material impact on your ability to meet your financial obligations.
53. If we give you notice of a breach of your Small Business loan, we will not require you to repay the full amount of the loan or take proceedings to enforce the loan, unless you fail to remedy the breach during the notice period.

54. We will give you at least 3 months' notice if we decide that we will not extend the term of your Small Business loan. This does not apply if at the end of the term of your Small Business loan, you are in breach of any of the loan obligations.

Lending to individual customers

55. We will always exercise the care and skill of a diligent and prudent banker when lending to an individual customer. This obligation is also owed to the guarantor of an individual customer.
56. If we provide you with a loan secured by a mortgage over a property, we will remind you at the start of the loan of your obligation to insure the property. We will repeat our reminder once a year during the term of the loan. Our reminder will include a reference to the Australian Securities and Investments Commission's MoneySmart website moneysmart.gov.au for information on property insurance.
57. If we are required by legislation to prepare a written assessment that a loan is "not unsuitable" for you, we will tell you so that you can ask us for this. If the loan is guaranteed, we will also tell your guarantor about this assessment and provide this assessment to your guarantor on request.

Credit cards

58. When you apply for a credit card, we will ask you to specify what dollar limit you would like. When we issue you with a card, we will not provide you with a higher limit.
59. We will apply any payment you make to your credit card to the amounts that have the highest interest rate as at the last statement date.
60. We will dishonour a credit card transaction that would result in you exceeding your credit limit by more than 10%.
61. If we provide you with an interest-free period on a credit card balance for a period of time, we will not retrospectively charge you interest for that period if you do not pay off that balance by the due date.
62. If you transfer your credit card balance to a credit card that we issue, we will include a prompt in our credit card application process that you should cancel the other credit card.
63. If we make you an introductory balance transfer offer on your credit card for a fixed period of time, we will give you at least 30 days' notice before that period is due to end.
64. If we cancel your credit card, we will tell you and, if appropriate, give you the general reasons for doing so.

Joint accounts

65. If you are opening a joint account, we will make general information about how you can use that account and your rights and responsibilities as a joint account holder.
66. If your joint account enables either you or the other account holder(s) to make withdrawals without the other person's co-authorisation, our terms and conditions will allow any one of you to ask us:
 - a. to change the account approval so that all joint account holders must approve any future withdrawals; or
 - b. to suspend the account (or a redraw facility on a loan account) to allow you and the other account holders to have time to reach agreement about the dispersal of the account funds.

(This paragraph does not, for example, apply to a company account where directors are co-signatories on behalf of the company.)

Subsidiary cards

67. When issuing a subsidiary credit or debit card at your (the primary cardholder's) request, we will provide you with general information on your liability for debts incurred by the subsidiary cardholder when using their card. This information will also set out our procedures for stopping or cancelling a subsidiary card.
68. If you instruct us to cancel a subsidiary card, you will not be liable for any losses resulting from unauthorised use of the subsidiary card following cancellation.

Safeguards for co-borrowers

69. We will not accept you as a co-borrower if we are aware, or ought to be aware, that you will not receive a substantial benefit from the loan or other credit facility.
70. Before we accept you as a co-borrower under a loan or other credit facility, we will provide you with general information on your liability to repay the full amount of the debt.
71. If you are jointly and severally liable for a loan or other credit facility, you may give us a written notice to terminate your liability if no credit has been provided or relied upon by any co-borrower. If credit has been provided, you may give us a written notice to terminate your liability for future financial accommodation. However, this right only applies when we can terminate any obligation we have to provide further credit to another borrower under the same credit facility.
72. Paragraphs 69 to 71 do not apply to a Small Business loan.

Safeguards for loan guarantors

73. This section provides safeguards for an individual or Small Business that gives a guarantee that secures a loan or other credit facility that we provide to our customer. It does not, however, apply if you are a guarantor in the capacity of a director of a Small Business.
74. We will not accept a guarantee, or an extension of a guarantee, from you unless the borrower agrees to us releasing to you the information and documents referred to in this section.
75. Subject to paragraph 84, we will only accept a guarantee from you if your liability under the guarantee is limited to:
 - a. a specific amount, plus interest and enforcement costs, and/or
 - b. the value of a specified security at the time of recovery.
76. The specific amount of your liability under the guarantee may be increased with your written consent, subject to law.
77. Before we obtain a guarantee from you, we will give you a prominent notice that:
 - a. you can refuse to enter into the guarantee
 - b. you have a right to limit your liability in accordance with this Code and as allowed by law
 - c. there are financial risks involved
 - d. if applicable, that the guarantee may cover future credit facilities and variations of the existing credit facility with your written consent
 - e. if you receive a Commonwealth pension, acting as a guarantor may affect your pension entitlement
 - f. you should consider the information and documents we provide to you, and can request further information or clarification if required, and
 - g. you should seek independent legal and financial advice before entering into the guarantee (in some circumstances, we may require that you obtain such advice as a condition of accepting your guarantee).
78. We will give you a copy of:
 - a. the credit contract or proposed credit contract to which the proposed guarantee relates
 - b. details of any security to be provided by the borrower in support of the loan
 - c. any relevant credit report from a credit reporting body
 - d. any relevant credit-related insurance contract that we have in our possession
 - e. if the borrower is a business - any financial accounts the borrower has given us in the previous two years for the purposes of the credit to be guaranteed
 - f. if the borrower is an individual - any summary statement of financial position the borrower has given us in the previous two years for the purposes of the credit to be guaranteed
 - g. the latest statement of account for the credit to be guaranteed, and
 - h. any other information that you reasonably request, other than our internal notes and assessments.
79. In addition, we will provide you with any other information available to us that, in our reasonable view, a careful and prudent prospective guarantor might wish to consider regarding:

- a. the financial position of the borrower (for example, we will tell you if any existing loan to the borrower will be cancelled if the guarantee is not provided), and
- b. the borrower's credit history for the previous two years (including details of any notices of demand, defaults, overdrawn accounts or other evidence of borrower distress known to us).

This commitment does not include providing records of our opinions regarding the borrower, the proposed loan or related matters.

80. We will not ask you to sign a guarantee, or accept it:
 - a. unless we have provided you with the information referred to in paragraphs 77 to 79, and
 - b. until at least the third business day later so that you have time to consider that information. However, we are not obliged to wait if you have obtained independent legal advice about the guarantee after having received the information referred to in paragraphs 77 to 79.
81. We will ensure that a warning notice appears directly above the place you sign the guarantee. The warning notice will be substantially in the format required for a guarantee regulated by the National Credit Code.
82. We will not give the guarantee to the borrower, or someone acting on behalf of the borrower, to arrange the signing, unless the person acting on behalf of the borrower is also your solicitor. In this case, we may give the guarantee to that person to arrange the signing.
83. Where we attend the signing of the guarantee, we will ensure that you sign the guarantee in the absence of the borrower.
84. A guarantee may contain a provision allowing the guarantee to be extended to cover another loan in the future. However, we will not make you liable for any amount under a future loan unless we have:
 - a. given you a copy of the credit contract or proposed credit contract
 - b. provided you with any updated information available to us on the financial position of the borrower, being information that a careful and prudent guarantor may wish to consider before allowing a guarantee to be extended, and
 - c. obtained your written acceptance of the extension of the guarantee.
85. You may withdraw from your guarantee at any time before we provide credit under the guaranteed loan.
86. If you give us notice that you would like to limit a guarantee you have provided to us, we must accept your request unless your requested limit does not cover:
 - a. the borrower's existing liability (plus any interest, fees or charges that have accrued in respect of that liability);
 - b. any further advances we are obliged to make to the borrower; and
 - c. any amounts we need to spend to preserve the current value of security we hold for the borrower's loan.
87. After entering into a guarantee agreement with you, we will give you within 14 days of the relevant event:
 - a. notice in writing if the borrower tells us that they are experiencing financial difficulty and we have provided assistance in response

- b. a copy of any formal demand or default notice we send to the borrower
- c. notice in writing if the borrower is in continuing default for more than two months after we issue a formal demand or default notice.

88. If you ask us, we will give you within 14 days:

- a. a copy of the latest account statement (if any) provided to the borrower, and
- b. a further copy of anything we have previously given to you (other than information provided in the last 3 months).

89. You may at any time extinguish your liability to us under a guarantee by:

- a. paying the outstanding liability of the borrower (including any future or contingent liability)
- b. paying any lesser amount to which the liability of the guarantor is limited by the terms of the guarantee, or
- c. making other arrangements satisfactory to us for the release of the guarantee.

90. We will not enforce a guarantee against you if we fail to comply with any of paragraphs 81, 82 and 83.

91. Unless we agree otherwise with you, we will not enforce any mortgage or other security you have given us in connection with your guarantee without first enforcing any mortgage or other security provided by the borrower.

92. We will not enforce a judgement against you under a guarantee unless:

- a. we have first enforced any mortgage or other security provided by the borrower, and
- b. we have obtained judgement against the borrower, and the judgement debt remains unpaid 30 days after we demand payment from the borrower in writing.

93. Paragraph 92 does not apply if:

- a. the borrower is a Small Business
- b. we have made reasonable attempts to locate the borrower without success, or
- c. the borrower is insolvent.

Guarantors who are directors of the borrower

94. If you provide a guarantee in your capacity as a director of a Small Business:

- a. paragraphs 74, 75, 76, 77, 81, 84, and 89 apply to you, and
- b. we will tell you that you may request the documents specified in paragraphs 78 and 79 and that these documents contain important information.

Third party products and services

95. We may introduce third party service providers or introduce, arrange or distribute products and facilities issued by other organisations. We will take steps to ensure that third party service providers we introduce are reputable; and that the third party products and facilities we distribute

are useful, reliable and of value to our customers. We will regularly review the third party service providers and third party products and services we introduce and distribute.

96. We will not distribute discretionary risk products (products that entitle the holder to make a claim in specified circumstances but which give the provider or distributor an absolute discretion as to whether the claim will be met and so are not regulated as insurance contracts).
97. We will only distribute financial products and facilities (including credit products) of issuers that belong to AFCA.
98. If you use a digital process to apply to us for a credit product, we will only alert you to the availability of consumer credit insurance at least four days after we have confirmed to you that you have been approved for the credit product.
99. If you use a digital process to apply to us for consumer credit insurance, we will:
 - a. include in the digital process a link to the ASIC MoneySmart webpage relating to consumer credit insurance (if available)
 - b. include filtering questions in our consumer credit insurance application to alert you to key policy exclusions such as age, residency and employment status and if you are not eligible to claim for a substantial part of the policy benefits we will not put in place consumer credit insurance for you, and
 - c. give you clear information to enable you to make an informed decision including the information set out in paragraph 104.
100. If you apply for a credit card or loan in a branch or over the telephone, we will not offer you consumer credit insurance for that credit product until at least four days after we have confirmed to you that you have been approved for that credit product. Before then, we may only provide you with factual information about consumer credit insurance.
101. We will not telephone you to make an unsolicited offer of consumer credit insurance.
102. If we offer you consumer credit insurance in a branch or when you telephone us, we will meet the requirements set out in paragraphs 103 to 106.
103. We will ensure that our sales practices do not assume customer knowledge of how this product operates.
104. We will give you clear information that enables you to make an informed decision. This includes information as to:
 - a. the periodic amount payable for the insurance including any interest you will pay on the premium (where the premium is calculated as a percentage or cost per dollar of the outstanding debt or statement balance we will tell you that cost and how we calculate it),
 - b. the total cost of the insurance (if known)
 - c. the circumstances in which benefits would be payable
 - d. the key exclusions that apply
 - e. the monetary limits on any benefit
 - f. the length of time a benefit would be payable

- g. the date your insurance ends if different from when the relevant credit product ends, and
- h. the previous financial year claims ratio for the product.

105. We will not put in place consumer credit insurance for you if you are not eligible to claim for a substantial part of the insurance benefits.

106. We will only put in place consumer credit insurance if we have your express consent.

Lenders mortgage insurance

107. We may require you to pay for lenders mortgage insurance in connection with a loan we provide to you. If we do this, we will provide you with a fact sheet that explains lenders mortgage insurance and that this insures us against any shortfall if we sell your property and the sale price is less than what you owe us. Our fact sheet will state that our insurer can recover from you the amount of the shortfall.

108. If the cost of lenders mortgage insurance is added to your loan, we will disclose to you the full cost of the insurance including interest on this amount over the life of the loan.

109. We will not charge you more than the actual cost we incur for lenders mortgage insurance. We will not receive a commission from the issuer of the lenders mortgage insurance policy.

110. If we require you to pay for lenders mortgage insurance and the policy provides an entitlement to a refund if you repay your loan before the end of the policy, we will ensure that we claim a refund where available and pay that amount to you.

Timely, clear and effective communication

111. We are committed to timely communication with our customers. We will generally respond to telephone and electronic messages within 3 business days. If you write to or fax us, we will generally respond within 7 business days of receipt of your communication. These general timeframes apply where the law or this Code does not specify a particular timeframe for us to respond to you.

112. We are committed to clear and effective communication with our customers. We will write our letters, notices, brochures, telephone scripts, website messages and other communications in plain language, avoiding legal and technical jargon as far as possible.

Account statements and balances

113. We will provide you with regular account statements, at least every 6 months, clearly setting out all transactions relating to your deposit and loan accounts with us. We will send these account statements to the last address you have given us, unless we reasonably believe that this is no longer your correct address. (The provision of account statements electronically is considered in paragraphs 125 to 128).

114. We may charge a reasonable fee, reflecting our costs, if you request and we provide more frequent account statements (although we may waive this if we are satisfied that your circumstances warrant this).
115. If we offer account statements in paper and electronic form and you elect to receive the paper form, we may charge a reasonable fee, reflecting our costs, for doing this (although we may waive this if we are satisfied that your circumstances warrant this).
116. If the rules in the National Credit Code about statements of account do not apply to your loan or credit account, we will nevertheless provide you with statements of account that meet those requirements to the extent that this is practical.
117. Account statements will include clear information about our fees and charges incurred on your account during the statement period. Fee amounts will not be bundled, but will be broken down by transaction type and channel. The impact of any applicable fee-free limit or rebate scheme will also be indicated.
118. We will provide a simple method(s) of access for you to find out the balance on your account, for example, an online facility to do this. We will not impose any fees for using this access method.
119. This section does not apply to:
 - a. passbook accounts, and
 - b. accounts that are dormant.

Notifying changes to your account

120. Except where paragraph 121 applies, we will give you at least 30 days advance notice before we do any of the following in relation to your account:
 - a. introduce a new fee or charge
 - b. increase a fee or charge
 - c. reduce the number of fee-free transactions permitted on the account
 - d. vary the minimum balance to which an account keeping fee applies
 - e. vary the method by which interest on your account is calculated, or
 - f. vary the circumstances when interest is credited or debited to your account.
121. If there is a change to, or introduction of a government charge that you directly or indirectly pay as part of your banking service, we will tell you about this reasonably promptly after the government notifies us, unless the government itself publicises the introduction or change.
122. We will notify you of an increase in the interest we charge on your loan or credit facility no later than the day on which the change takes effect. We will also advise you of any new minimum repayment amount.
123. We may use various methods to notify you of changes to your account. Subject to applicable laws, these may include one or more of: notification on or with your account statement; direct communication; announcement via our newsletter or website; or advertisement in the local or

national media. In deciding the method of notification, we will consider the nature and extent of the account change, as well as the cost and effectiveness of different methods of notification.

124. Any commitment we may make to notify you at your address of changes to your account is subject to your keeping us informed of your current contact address.

Use of electronic means of communication

125. To the extent permitted by law, we may provide any notice or other information required by this Code to you in writing, electronically or by telephone or by telling you that the information is available on our website or other electronic forum.
126. If we offer a product on the basis that statements and other account information will only be available electronically, we will:
 - a. clearly disclose this to you, and
 - b. obtain your specific positive acknowledgement of the arrangement before we issue or distribute the product to you.
127. When providing disclosure documents, account statements, notices and other prescribed information to you electronically, we will ensure that we adopt practices that take appropriate account of online security risks and are consistent with ASIC regulatory guidance on online disclosure. (Also see paragraphs 149 to 154.)
128. We will provide prescribed information to you electronically in a form that allows you to retain the information (for example by printing and saving it). Our electronic communications will be comparable with equivalent paper documents in terms of the clarity and content of the information provided.

Replacement copies of documents, statements and other information

129. At your request, we will send you a replacement copy of any of the following documents relating to a product or facility you have, or have had, with us:
 - a. a loan application;
 - b. a contract (including standard Terms and Conditions, and details of interest rates and fees and charges);
 - c. a mortgage or other security document;
 - d. an account statement; and
 - e. a notice we have previously given you about us exercising our rights (unless the request is for a notice issued more than two years before the discharge or termination of the contract to which the notice is related).

This section does not apply to documents we are no longer legally required to retain.

130. If a replacement copy of a document is requested, we will provide it to you:
 - a. within 14 days, if the original came into existence 1 year or less before you make the request; and

- b. within 30 days, if the original came into existence more than 1 year but less than 7 years before you make the request.

If for some reason we are unable to provide a document within these timeframes, we will advise you in writing, together with the expected timeframe for providing the document.

131. Documents may be provided in the form of a computer-generated record.
132. We may charge a reasonable fee, reflecting our costs, for providing a replacement document, but may waive this if we are satisfied that your circumstances warrant this.
133. Access to your personal information is considered more generally in paragraphs 149 to 154.

ePayments Code

134. We will subscribe to the ePayments Code, administered by the Australian Securities and Investments Commission, so that you have the benefit of the protections of that Code.

Direct debit arrangements and recurring payments arrangements

135. Our website will provide clear, simple customer guidance about the difference between recurring payment arrangements set up with a credit or debit card and direct debits set up using a BSB and account number and how to cancel both of these.
136. We will take immediate action to cancel a direct debit facility linked to your transaction account if you ask us to do so. We will not tell you to try to cancel the facility with the biller or other direct debit user first (but we may suggest that you also contact the direct debit user and explain the benefits of doing this).
137. We will not charge you a fee for cancelling a direct debit facility.
138. If you tell us you wish to cancel only one of multiple payment arrangements associated with a single direct debit, we will advise you to establish a new facility for the payment arrangements you wish to maintain.
139. We will take prompt action to investigate if you complain that a direct debit was not authorised or is otherwise irregular. We will not tell you to resolve the matter with the biller or other direct debit user first (but we may suggest that you also contact the direct debit user).

Seeking a chargeback on your behalf

140. If you have a credit or debit card (e.g. a MasterCard, AMEX or VISA card) issued by us, we may be able to claim a chargeback on your behalf if a problem arises (such as unauthorised use, or non-delivery of goods ordered).
141. If you dispute a transaction with us within the required timeframe and we can seek a chargeback on your behalf, we will do so without delay. We will also:

- a. ensure we claim the chargeback for the most appropriate reason, and
- b. not accept a refusal to chargeback by the merchant's financial institution unless it is consistent with the relevant card scheme rules.

142. Where possible, we will assist you to seek a chargeback of any unauthorised payments debited to your credit or debit card account pursuant to a recurring payment arrangement – for instance, where payments continue to be debited to your account even though you have cancelled the recurring payment arrangement.

143. We will make general information about the chargeback mechanism readily available to our customers, emphasising the need to promptly report problems to ensure a claim can be made within relevant chargeback periods. We will make this general information on the chargeback mechanism available in our product information and on our website.

144. Whether through our standard Terms and Conditions or otherwise, we will not seek to reduce the period or circumstances in which we can seek a chargeback on your behalf under the card scheme rules applying to your scheme credit or debit card.

Closing your account

145. We will provide readily accessible information about how to close your account.

146. If you ask us to close your account, we will enable you to do this quickly and easily as long as you have discharged all of your obligations under the applicable Terms and Conditions and any mortgage or other similar arrangements relating to the account.

147. We will provide you with a payout figure for your loan or credit facility within 7 business days, if you request this.

148. Unless there are exceptional circumstances, we will give you at least 14 days advance notice before closing your account when the standard Terms and Conditions of the account permit us to do so (i.e. in circumstances where you have not sought to close the account yourself). We will notify you at the last valid address you have given us, or by other legally permissible means.

Information privacy and security

149. We will treat your personal and financial information as private and confidential. We will not disclose that information to any other organisation unless we are required or permitted by law to do so.

150. Where we seek your consent to use or disclose your personal information for direct marketing purposes, we will:

- a. seek your consent specifically to our request (rather than bundle our request with other matters)
- b. not make consent a precondition to obtaining a banking service or product

- c. provide you with enough information to enable you to decide whether you want to give your consent and
- d. ask you to positively affirm your consent (rather than use an opt out mechanism).

151. We will actively seek to promote awareness of security issues, including Internet security, to our customers, using a range of approaches.

152. We will provide information on topics including:

- a. protecting your payment methods (e.g. payment cards and cheque books) and equipment (e.g. your computer if you bank online) from unauthorised use
- b. what to do if you believe a security breach of your account or unauthorised transaction has occurred, and
- c. the possible consequences of not reporting security breaches on your account promptly.

153. We will avoid communications practices that are inconsistent with our messages about avoiding fraud. For instance, we will not:

- a. use unsolicited email or telephone contact to ask you to disclose your personal banking information or secure code or password to us, or
- b. send you unsolicited emails that include attachments.

154. We will provide you with options to report security breaches at any time.

If you are in financial difficulty

155. This section applies to an individual or Small Business who is either a customer or a guarantor of a customer.

156. We will publicise the availability of financial difficulty assistance including in our branches and periodically on account statements.

157. We will train our staff and use data analysis techniques to proactively identify indicators of financial difficulty, so that we can contact you to discuss assistance we may be able to provide. This may include information about banking products that we offer that may be more favourable for you.

158. We encourage you to tell us at an early stage if you are experiencing difficulty in meeting your repayment obligations or obligations under a guarantee to us (financial difficulty). We recognise the wide range of circumstances that can lead to this including unemployment, ill-health, family breakdown, family violence, economic abuse and natural disaster.

159. If you have a joint account with someone and are experiencing financial difficulty, we can try and assist you. This can initially be done without involving the other person, if you want this.

160. We will work with you in a constructive way if you experience financial difficulty. We encourage you to be open and as realistic as you can be about your financial position. In turn, our staff will be trained to respond compassionately. We will do this whether or not you have a right to seek a hardship variation or change under consumer credit laws.

161. If you request financial difficulty assistance, we will:

- a. genuinely consider your request, taking account of your situation. However, we will only be able to do this if you provide us with the financial information and documents we may reasonably need to assess your situation for ourselves
- b. encourage you to keep making whatever payments you can while we are considering your request
- c. not require you to access your superannuation to meet your loan obligations (unless you are borrowing for a self-managed superannuation fund)
- d. consider longer term as well as short-term financial issues when they are relevant. If you are experiencing longer term difficulties, we will try to develop an appropriate solution with you to allow you to meet your obligations. If you are an individual suffering exceptional circumstances outside your control, we may on compassionate grounds reduce or waive unsecured debt subject to our commercial considerations.
- e. not list your default on your credit reference file while we are considering your request, unless legally required to do so
- f. not sell your debt while we are still considering your request, and
- g. respond promptly to your request.

162. If we reach agreement about assistance to help you with your financial difficulty, we will:

- a. provide confirmation in writing of what we have agreed, including what your obligations we will be when our period of assistance ends
- b. tell you the consequences for our reporting to a credit reporting body and what this means for your credit history
- c. explain to you any other adverse impacts on your banking services (such as cancellation of your credit card)
- d. not charge you late payment or default fees or default interest while you are meeting any conditions of that assistance (unless you are a Small Business customer)
- e. not sell your debt while you are meeting any conditions of that assistance
- f. tell you if we are aware that you are likely to be able to claim on a consumer credit insurance policy that we sold to you
- g. tell you if we offer banking products with terms that may be more favourable for you and provide you with information about your options to transfer to these
- h. make reasonable efforts to contact you if you breach any conditions of assistance agreed with you and not re-activate enforcement action until we have given you at least 14 days' notice.

163. Where we are not able to assist with your financial difficulty, we will:

- a. suggest other options or avenues that may be available to you
- b. advise you promptly in writing giving reasons
- c. tell you that you may make a complaint to AFCA if you are unhappy with our decision, and
- d. offer to provide you with contact details for a free and independent financial counselling or similar service in appropriate cases.

Working with your representative

164. You may choose to be represented or assisted by another person whom you authorise to act on your behalf in negotiations with us. For instance, you may be represented by a financial counsellor, community worker, solicitor, family member or carer. We respect your right to be represented, and will work with your duly authorised representative if you have one.
165. Where our staff identify that you would benefit from advice or assistance from a financial counsellor or community worker, they will offer you contact details and may contact you directly for this purpose even if you have a representative. Where appropriate, they will also warn you against using a debt management firm.

Debt collection and legal action

166. We and our agents will comply with Debt collection guideline: for collectors and creditors of the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission as amended from time to time (the Debt Collection Guidelines).
167. If you fall behind with your payments, we will contact you and seek to negotiate a mutually acceptable repayment arrangement with you, having regard to your financial circumstances as a whole as well as your obligations to us. If you cooperate with us and commit to dealing with the debt, we will work with you (or your representative if you have one). Where relevant, we will draw your attention to our procedures covering customers in financial difficulty (see paragraphs 155 to 163).
168. We will send a written default notice to the last address you have given us (unless we reasonably believe that this is no longer your correct address), and will give you an opportunity to pay any amount outstanding on an account with us, before we commence legal action against you.
169. A default notice will specify the date after which we are lawfully entitled to commence legal proceedings to recover the debt. The notice, or an accompanying letter, will invite you to contact us to discuss your options.
170. If we exercise our right to combine your accounts, we will inform you promptly after doing so.
171. We will comply with any applicable requirements of the Code of Operation: Recovery of Debts from Department of Human Services Income Support Payments and Veterans' Affairs Payments and any successor Code (both when enforcing indebtedness owed to us and, to the extent the law permits, when facilitating enforcement by a third party judgment creditor).
172. We will not seek recovery of, nor will we sell, statute-barred debts.
173. We will only sell debts to businesses that have agreed to comply with the Debt Collection Guidelines, and the Code of Operation: Recovery of Debts from Department of Human Services Income Support Payments and Veterans' Affairs Payments and any successor Code and that also belong to AFCA.

174. If we sell your debt, we will write to you and let you know that we have done this and who your debt is now owed to.
175. We will ask a purchaser of your debt to consult with us before instituting bankruptcy proceedings in relation to you,

Prompt, fair resolution of complaints

176. We provide information on how we deal with complaints in our product information, through our branches, our telephone banking services and on our website and digital platforms (if we have these). We will give you a copy of this information if you ask us. This information includes your right to take your complaint to AFCA, if you are unhappy with how we have dealt with and rectified your complaint.
177. We will not charge you a fee for making a complaint.
178. We will not require you to put your complaints in writing (however, some written information may subsequently be needed to progress your complaint).
179. We will ensure that we handle your complaint fairly.
180. We will try to resolve your complaint as soon as possible - "on the spot" if we can. If this is not possible, we will within 3 business days give you the name and contact details of a person in our organisation nominated as responsible for dealing with your complaint. As far as possible, this person will not be someone to whom your complaint relates (however, if we are a small organisation, this may not be possible).
181. We will do our best to ensure that our investigation is completed, and a decision on your complaint is communicated to you, within 21 days of receiving your complaint. We will inform you if we need more time than that and provide regular progress updates.
182. If we are not able to resolve your complaint to your satisfaction within 45 days (or shorter period that may apply under legislation), we will inform you in writing that you may take the complaint to AFCA, even if we are still considering it. We will provide you with contact details for AFCA.
183. Before we enter into a farm debt mediation with you, we will inform you that you may instead have a right to make a complaint to AFCA.
184. If we decide your complaint in a way that does not meet all that you have asked for, we will give you our decision in writing with reasons. Our letter will also tell you that you may take your complaint to AFCA and will provide contact details for AFCA.

Training our staff

185. We will make sure our staff and agents or representatives are well trained so that they can competently do their work.

186. Our staff training will include Code requirements so that our employees comply with these in their dealings with you.
187. Our staff will also receive periodic cultural awareness training.

Publicising the Code

188. We will publicise this Code and promote our adoption of it, including in our branches. We will give or post you a copy on request. We will publish the Code (or a link to it) on our website.

Part C – How the Code is administered

Administration of the Code by an independent Committee

189. The Code is administered by the Code Compliance Committee, an independent committee established and funded by COBA. The Committee consists of an industry representative, a consumer representative, and an independent Chair. The Code Compliance Committee Charter sets out the processes for appointing Committee members. This Charter is published on the Committee's website.

Role of Code Compliance Committee

190. The Code Compliance Committee will:

- a. monitor and oversee compliance with the Code including through the use of its directions powers
- b. encourage continuous improvement by Code subscribers in meeting Code obligations, including by recommending and publishing good practice guidance
- c. investigate potential serious or systemic breaches of the Code by a Code Subscriber including by requesting the Code Subscriber to provide relevant documents and other information
- d. exercise its sanctions and directions powers where the Committee finds repeated breaches or a serious breach of the Code by a Code Subscriber, and
- e. provide reports to regulators and to the public about compliance with the Code by Code Subscribers and how the Committee has exercised its sanction and other powers, including an Annual Report on Code Subscribers' compliance with the Code and the Committee's compliance activities.

191. For the purposes of monitoring and overseeing Code compliance and encouraging good practice, the Code Compliance Committee will:

- a. review AFCA complaint information about Code Subscribers
- b. undertake an annual environmental scan to assess Code Subscriber compliance risk areas and to set the Committee's priorities and work plan
- c. require Code Subscribers to provide periodic compliance reports to the Code Compliance Committee
- d. undertake own motion investigation(s) each year to assess compliance with one or more areas of Code compliance and identify good practices
- e. issue public reports about the extent of compliance with the Code and good practice compliance measures, and
- f. provide feedback to COBA about industry trends and the adequacy of Code provisions.

192. The Code Compliance Committee will investigate if the Committee has credible information that a serious or systemic breach of the Code by a Code subscriber is likely to have occurred. For this purpose, the Committee may take into account information:

- a. obtained by the Committee from the Code Subscriber, for example, in compliance reports

- b. provided by the public in a breach allegation made to the Committee (anyone can report alleged breaches to the Committee at any time), or
- c. provided by anyone else including another Code Subscriber, a consumer representative or AFCA.

Sanctions and directions powers

193. The Code Compliance Committee has the following sanctions and directions powers:

- a. formally warn a Code Subscriber found to be in breach of the Code
- b. require a Code Subscriber to undertake a compliance review (either an internal review or by an external adviser as is acceptable to the Committee) and to provide the Committee with the findings and recommendations of the reviewer, the Code Subscriber's rectification plan in response to the review and updates about implementation of that plan
- c. require a Code Subscriber to undertake a staff training program on the Code
- d. require a Code Subscriber to undertake a rectification and/ or remediation program, such as corrective advertising, if found to be in breach of the Code
- e. publicly name a Code Subscriber found to be in breach of the Code
- f. advise COBA of a Code Subscriber's non-compliant status and/or failure to comply with the Committee's requests or directions
- g. advise the appropriate regulator of a Code Subscriber's serious or systemic breaches of the Code.

Our compliance responsibilities as Code Subscribers

194. We will cooperate fully with the Code Compliance Committee in the discharge of its responsibilities, including provide requested compliance reports, documents and other information within the timeframe specified by the Committee. Where the law or our duty of confidentiality prevents us from disclosing information without first obtaining the consent of a third party, we will take reasonable steps to obtain that consent.

195. We will comply in a reasonable timeframe with any directions or sanctions imposed by the Committee.

196. We acknowledge that failure to meet our obligations under this section constitutes a serious breach of the Code reportable by the Code Compliance Committee to ASIC.

Role of COBA

197. COBA must ensure that the Code Compliance Committee is adequately resourced to carry out its functions.

198. COBA may amend the Code from time to time. Before doing so, COBA will consult with Code Subscribers and other stakeholders.

199. COBA will publicise the Code through its website.

Reviewing the Code

200. In consultation with the Code Compliance Committee, COBA will arrange for the Code to be independently reviewed at intervals of no more than 3 years. The independent reviewer must consult with a broad range of stakeholders.

Appendix A – Definitions

For the purposes of this Code, the words and phrases set out in this Appendix are understood as follows.

"AFCA" – The Australian Financial Complaints Authority, an independent complaints handling authority overseen by the Australian Securities and Investments Commission, that is able to review our handling of your complaints.

"The Code", "This Code" etc – Refers to the Customer Owned Banking Code of Practice, unless otherwise qualified.

"COBA" – Refers to the Customer Owned Banking Association.

"Code Compliance Committee" – Refers to the Code Compliance Committee established by COBA, pursuant to the Code Compliance Committee Charter.

"Complaint" – Any expression of dissatisfaction made to us related to our products or services, or to our complaints handling process, where a response or resolution is explicitly or implicitly expected.

"Customer" – A member or a customer of a Code Subscriber.

"Dispute" – A complaint that we have not been able to resolve to your satisfaction.

"Sell" – A reference to us selling debts does not include a securitisation arrangement where we remain the lender of record for those debts.

"Small Business" – A business or group having fewer than 100 full-time (or equivalent) employees.

"Small business loan" – A loan to a Small Business where the loan applied for is less than \$5 million.

"We", "us" and "our" – Refers to your customer owned banking institution being a subscriber to the Customer Owned Banking Code of Practice, Where the Code refers to information that you tell "us" or information that "we" are aware of, "us" or "we" refers to the particular staff of your customer owned banking institution who are assisting you at the relevant time.

"You", "Your" – Refers to an individual or Small Business who is our customer and, where relevant, a prospective customer. In paragraphs 73 to 94, however, "you" refers to a guarantor or a prospective guarantor.