



Member forum

AFCA Rules Review and consultation

16 March 2023

Dr June Smith – Deputy Chief Ombudsman

Independent Review

> Our Independent Review response is now focused on our Rules Review project. This will help us to deliver on the recommendations that require Rules and Operational Guideline changes.

<p>1. Dealing with further issues raised during the complaint process ›</p> <p>Status: On track for completion in 2024</p> <p>New project</p>	<p>2. Ensuring all AFCA decisions consider what is fair in all circumstances ›</p> <p>Status: On track for completion in 2023</p> <p>Existing work underway</p>	<p>3. Not advocating or acting in a manner that compromises impartiality ›</p> <p>Status: On track for completion in 2024</p> <p>Existing work underway</p>
<p>4. Addressing poor conduct by some paid advocates ›</p> <p>Status: On track for completion in 2023</p> <p>Existing work underway</p>	<p>5. Improving transparency of timeliness and better managing timeliness expectations ›</p> <p>Status: On track for completion in 2024</p> <p>Existing work underway</p>	<p>6. Complaints from sophisticated or professional investors ›</p> <p>Status: Revised for completion in 2023</p> <p>Existing work underway</p>
<p>7. Ensuring funding model design does not disincentivise firms from defending complaints ›</p> <p>Status: Completed in 2022</p> <p>Existing work</p>	<p>8. Improving transparency of AFCA fees and the services and activities they fund ›</p> <p>Status: Completed in 2022</p> <p>Existing work</p>	<p>9. Enhancing visibility, accessibility and independence of the forward-looking review mechanism ›</p> <p>Status: On track for completion in 2023</p> <p>New project</p>
<p>10. Improving visibility of the Independent Assessor to all parties to a complaint ›</p> <p>Status: Completed in 2022</p> <p>New project</p>	<p>11. Consulting on AFCA Approaches prior to finalisation to identify unintended consequences ›</p> <p>Status: On track for completion in 2023</p> <p>New project</p>	<p>12. Systemic issues that have been referred to ASIC or another regulator ›</p> <p>Status: Revised for completion in 2023</p> <p>Existing work underway</p>
<p>13. Improving transparency of systemic issues in public reporting ›</p> <p>Status: Completed in 2022</p> <p>Existing work underway</p>	<p>14. Amending legislation to no longer require authorised credit representatives to be AFCA members ›</p> <p>Status: Legislative change required</p> <p>New project</p>	

Proposed changes

The proposed changes have been developed to address recommendations made in Treasury's Independent Review of AFCA – with some additional changes to help ensure our Rules and Operational Guidelines remain accurate, up-to-date and provide clearer guidance about AFCA's jurisdiction and processes



Managing conduct within the scheme

Proposed change	Reason	Independent Review recommendations
Proposal 1: Paid representatives	To manage the conduct of fee paid representatives who engage with the scheme and strengthen AFCA's ability to deliver procedural fairness	Recommendation 2: Ensuring all AFCA decisions consider what is fair in all circumstances Recommendation 4: Addressing poor conduct by some paid advocates
Proposal 2: Complainants	To build greater efficiency and timeliness in complaint handling and manage inappropriate or abusive Complainant conduct and strengthen AFCA's ability to deliver procedural fairness	Recommendation 5: Improving transparency of timeliness and better managing timeliness expectations

Appropriate offers of settlement or previously settled matters

Proposed change	Reason	Independent Review recommendations
Proposal 3: Appropriate settlement offers	To encourage fair settlement of meritorious complaints at an early stage in AFCA's process, in order to enhance the timeliness and efficiency of outcomes	Recommendation 1: Dealing with further issues raised during the complaint process Recommendation 2: Ensuring all AFCA decisions consider what is fair in all circumstances
Proposal 4: Previous settlement agreements	To support the efficient and timely resolution of complaints	Recommendation 5: Improving transparency of timeliness and better managing timeliness expectations Recommendation 7: Ensuring funding model design does not disincentivise firms from defending complaints

How we deal with complaints lodged by professional or sophisticated investors

Proposed change

Reason

Independent Review recommendations

Proposal 5:

Professional or sophisticated investor complaints
(Operational Guidelines change)

To clarify existing approach to exclude complaints from professional or sophisticated investors unless misclassified. This gives effect to Independent Review recommendation 6.

Recommendation 6:

Complaints from sophisticated or professional investors

Forward Looking Review mechanism

Proposed change

Reason

Independent Review recommendations

Proposal 6:

Forward Looking Review (Operational Guidelines change)

To enhance the visibility, accessibility and independence of AFCA's Forward Looking Review mechanism for its published approach documents

Recommendation 9:

Enhancing visibility, accessibility and independence of the Forward Looking Review mechanism

Effect of Determinations and slip rule

Proposed change

Reason

Independent Review recommendations

Proposal 7:

Complainant non-acceptance of Determination

To support the fair, efficient and timely resolution of complaints and to support AFCA's continued improvement of its fairness jurisdiction

Recommendation 2:

Ensuring all AFCA decisions consider what is fair in all the circumstances

Proposal 8:

Accidental error in a Determination – slip rule

To support the fair, efficient and timely resolution of complaints and to support AFCA's continued improvement of its fairness jurisdiction

Recommendation 5:

Improving transparency of timeliness and better managing timeliness expectations

Other changes

Proposed change

Reason

Independent Review recommendations

Proposal 9:

Consistency of language about AFCA's monetary limits

To remove inconsistencies and provide clarity about the operation of our Rules to support the fair, efficient and timely resolution of complaints by removing uncertainty

Recommendation 2:

Ensuring all AFCA decisions consider what is fair in all circumstances

Proposal 10:

Clarifying the objection process for Rule A.8.3

To provide clarity about the operation of our Rules to support the fair, efficient and timely resolution of complaints by removing uncertainty

Recommendation 5:

Improving transparency of timeliness and better managing timeliness expectations

Proposal 11:

AFCA Banking and Finance panels (Operational Guidelines change)

To provide clarity about the operation of our Rules to support the fair, efficient and timely resolution of complaints by removing uncertainty

Other changes (continued)

Proposed change	Reason	Independent Review recommendations
Proposal 12: Definition changes	Minor changes to definitions and language to update certain areas of the Rules arising from legislative change, to give greater clarity and transparency of the scheme's operation overall	NA
Proposal 13: Annual reporting	Minor changes to clarify AFCA's reporting and transparency obligations, to better align the Rules with Regulator requirements	NA

Consultation

During our Rules and Operational Guidelines consultation, we will:



Share information in different formats



Enable stakeholders to share feedback via an online form



Publish resources online via a dedicated Rules consultation page



Collect feedback during meetings, existing engagements and focus groups



Provide a formal consultation paper for stakeholders



Host webinars to share detailed information about the changes and provide the opportunity for stakeholders to ask questions



Enable stakeholders to make a submission

What's next?



Thank you



AFCA IT Transformation

Member forum



AFCA's strategic plan 2021-24

AFCA's strategic plan is a three-year framework for all our operations, programs and initiatives. It defines how AFCA will realise its vision and goals through five strategic themes, which are all being addressed through our IT transformation.



Customer service



External engagement



Efficiency



Data and technology



People experience



About the IT transformation



This year, AFCA is launching an exciting IT transformation to ensure we provide a modern, efficient, and user-friendly experience for all.

The transformation includes new technology, streamlined processes and integrated systems, all designed to support fair, effective, and timely dispute resolution.

Benefits include:

Enhanced efficiency and effectiveness, allowing AFCA to provide a high-quality service to both members and consumers.

Modernised systems which are user-friendly, secure and provide a robust foundation to introduce new functionality in the future.

Improved communication and information sharing to support transparent, fair and timely dispute resolution.

Complaints data and analytics, to help identify trends in complaint products and issues, as well as how they progress through our process.

About the IT transformation



In FY24, three **key products** will launch:

New and enhanced member portal

- Improved efficiency and automation
- Enhanced communication
- New accounts and roles
- Improved case management and reporting tools



New consumer portal

- Complaint submission
- Complaint progress tracking
- Information and document sharing
- Notifications and requests



New case management system

- End-to-end complaint management for AFCA staff
- Integrated communication with members and complainants
- Information and document sharing
- Reporting
- Efficiency



AFCFA member portal



Development of AFCA member portal



AFCA has partnered with PwC to design and build the new integrated IT systems.

Member feedback about pain points and frustrations with our systems and process have been a key input into the design process. These include:



Portal reliability and navigation



Inability to see progression of cases and timeframes



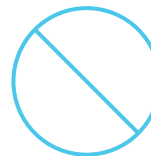
Document, file type and size upload limitations



Invoices and payment difficulties



Cumbersome membership administration



Difficulty in accessing documents

Improved efficiency and automation

The new system will streamline the dispute resolution process by removing administrative tasks and introducing new automations to remove unnecessary delays. This also aligns with the Independent Review recommendations and our response.

Complaints will automatically be processed and progressed at key points of our process, including newly lodged complaints being automatically referred to the financial firm.

What's changing?

- Referral will be automated
- Timeframes align with ASIC RG271
- Live notifications of activity on a complaint
- New methods to upload and exchange documents
- Complaint documents automatically shared with all parties (opt out available in limited circumstances)

What does it mean for members?

- Members will receive new complaints immediately upon lodgement with AFCA
- Cases will require a response by the final day of the maximum IDR / EDR timeframe (no 3-day grace period)
- Members will receive automatic complaint updates and correspondence
- New methods to upload and exchange documents



Enhanced communication

The new member portal, consumer portal and complaint management system will be fully integrated, allowing for enhanced communication and document sharing across the systems.

Members will be able to communicate with AFCA about specific complaints, systemic issues, and their membership within the member portal, significantly reducing the need for emails.

What's changing?

- Functionality to raise requests as well as view, manage and track open and closed requests
- Portal will become main communication channel
- Communications automatically associated with specific complaints

What does it mean for members?

- New portal functionality will reduce administration for members and AFCA
- Members will be corresponding with AFCA primarily through the portal – significantly reducing email communication
- Improved information security



New accounts and roles

New account control will enable all member staff with differing roles to access the areas of the portal they need to do their job.

Member administrators will be able to create accounts and control permissions.

What's changing?

- Accounts required for each individual caseworker
- New ways of allocating, tracking, and reporting complaints within the portal

What does it mean for members?

- Members will be required to set up accounts for individual team members, and can assign permissions based on their role
- Each case worker will need to activate their account and use this to manage their cases directly
- Role based ability for a user to view complaints and allocate to individual case workers
- Members who operate as a group with multiple AFCA entities will be able to use a single log in to access cases from multiple entities



Improved case management and reporting tools

New and improved features will give members more control and visibility of the complaints process.

What's changing?

- Custom dashboard reporting on overall complaints profile
- The dashboard will display statuses, required actions and due dates
- Role based access with dashboards will be available within the member portal

What does it mean for members?

- Enhanced reporting for members to manage caseloads more efficiently
- Members will be able to review all complaint information and milestones to date via dashboards
- Member caseworkers are expected to regularly access the portal to monitor and manage their cases



Membership management and payments

New account types will enable all member staff to access the AFCA member portal to perform different tasks. Member administrators will be able to create accounts and control permissions.

To fully realise the efficiency and communication benefits of the portal, AFCA encourages all members to set up accounts for their teams.

What's changing?

- New notifications, requests and methods to manage membership
- Self-service administration i.e. changing contact details
- New finance account role to manage invoices and payments in the portal
- Automated payment receipts
- Invoice and payment history

What does it mean for members?

- Members will be able to view and pay invoices, annual fees, dispute invoices, see the total amount due, and review previous invoices and payments via the portal
- From May 2023 until the new member portal launches, invoices will be sent via email with credit card payment unavailable



Data and reporting

New automation and streamlined process will enable more data collection and analysis which can be shared with members.

Upon release, there will be no changes made to the Member Benchmarking Dashboard and Datacube, or the data they display.

Future releases will use complaints data and member information to enhance capability in reporting.

What's changing?

- The new integrated IT systems will improve data collection and analysis.
- New functionality will allow members to group multiple entities in the case management system. This will be used in a future release to group data in the member benchmarking dashboard.
- In response to member feedback, an enhanced version of the determination search will launch on the AFCA website to make finding decisions more user-friendly.

What does it mean for members?

- No changes to data and measures in the current Member Benchmarking Dashboard or AFCA Datacube – providing consistency during the transition to new systems.



 Project milestone

FEB

MAR

APR

MAY

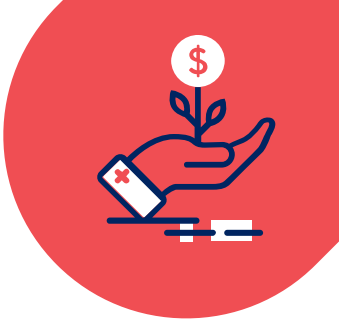
JUN

JUL

AUG

SEP

OCT



Implementation



All open cases and the previous six months of closed cases will be migrated to our new system at the time of launch



Communication

AFCA will be keeping members updated on key features, training, support and the launch timeline through a variety of channels.

- Monthly Member News email
- Special webinar (tbc)

New online hub for regular updates and resources.

www.afca.org.au/newmemberportal



Training and support on transition

To assist members to adopt the new systems, we will be launching a detailed range of resources and training:

- How-to-guides
- Video tours and tutorials
- Interactive learning modules for complaints handling staff
- Post go-live support

We're keen to hear from you about any additional support you will need from us



Get in touch

If you have any questions about the new systems or the implementation period, please contact our membership team:



membership@afca.org.au



1300 56 55 62



www.afca.org.au/members



