Australian Financial Complaints Authority

Systemic Issues Insights Report

Quarters 3 and 4
Financial year 2022–23

Edition 3

Contents

About this report

Regulatory Guide 267 *Oversight of the Australian Financial Complaints Authority* requires AFCA to identify, refer and report systemic issues arising from complaints to the regulators. AFCA must also report any serious contraventions of the law and other reportable matters listed in section 1052E of the Corporations Act 2001 (Cth).

AFCA's role in identifying and reporting systemic issues benefits consumers who have not lodged a complaint with AFCA but who may, nonetheless, have been impacted by a systemic issue. The early identification and resolution of systemic issues can reduce consumer complaints and helps to minimise consumer harm.

Our work also supports financial firms to identify systemic issues, and sits alongside a financial firm's own obligations to manage systemic issues identified through consumer complaints, as outlined in ASIC Regulatory Guide 271 (RG 271).

While AFCA is not a regulator, we operate within the broader regulatory framework by providing information to regulators in accordance with our obligations. Our reports to regulators ensure they are promptly informed of issues within the industry and can take action as they deem appropriate.

By continuing to engage with financial firms on systemic issues once we have identified and reported them, AFCA helps financial firms to address systemic issues early, minimise complaints flowing through to external dispute resolution and improve industry practice.

In this report AFCA shares case studies, findings and key insights from a range of systemic issues cases across the industry.

We encourage financial firms to use these case studies and insights to continuously improve their own practices and customer experience.

Summary of outcomes delivered

Identified and investigated systemic issues resulting in remediation to **145,480** consumers

$61,707,802 in refunds were made to consumers

Conducted **88** detailed systemic issues investigations (with some investigations being ongoing)

Resolved **54** systemic issues with financial firms

Facilitated financial firms to provide other outcomes for consumers such as:

- reinstatement of incorrectly cancelled life insurance cover
- refunding of credit card rewards points
- correction of repayment history information on consumer credit files
- correction of credit liability information on consumer credit files
- removal of incorrectly duplicated credit enquiries on consumer credit files
- the improvement in use of third party information retained by a debt collection firm
- correction of misleading information for consumers in a life insurance policy Product Disclosure Statement (PDS)
- improvement of Internal Dispute Resolution (IDR) processes so consumers can have their complaints heard
- correction of misleading information on a bank's website about interest rates for home loans, and
- provision of individual solutions for customers whose inactive and low-balance superannuation accounts had been transferred to the Australian Taxation Office (ATO) without notice.

Reporting to regulators

81 matters reported in the second half of financial year 22–23

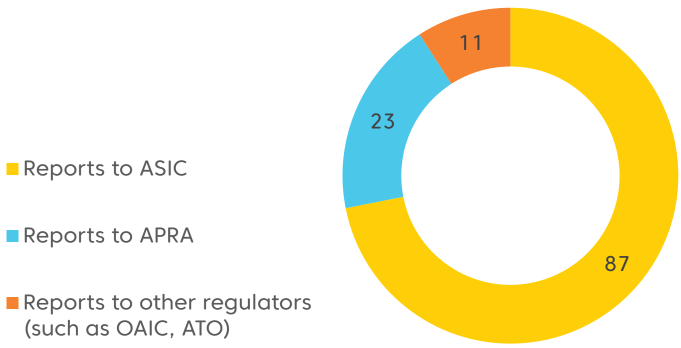
55 systemic issues reported

26 other matters reported (referrable under section 1052E of the *Corporations Act 2001* (Cth)) including:

- **7** serious contraventions of the law
- **18** refusals or failures by parties to give effect to an AFCA determination, and
- **1** settlement that may require investigation.

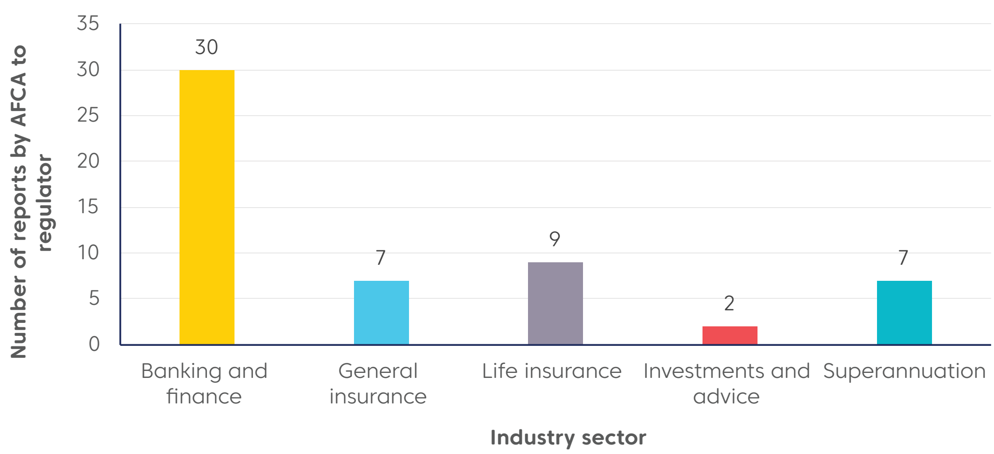
Total reports to regulators across the financial year

The total number of reports made in the second half of the financial year including systemic issues and other matters reported, with some reports provided to more than one regulator.



Systemic issues across industry sectors

The number of systemic issues identified and confirmed across industry sectors.



Best-practice responses to address systemic issues

We observe that financial firms that take accountability for systemic issues and make changes to their culture and ways of working (alongside implementing fixes for immediate issues) can protect against future issues and reduce customer complaints in the long term.

Many firms adopt process automation to deliver better outcomes for consumers

Removing manual processes and implementing automated solutions has many benefits - it drives efficiencies, reduces repetitive activities and the risk of human error, and can help to minimise issues recurring. Firms should be aware that alongside these benefits, adopting automation can carry some risk if not implemented well, with appropriate exception processes and controls.

In this case study, a financial firm worked quickly to resolve a systemic issue that arose due to employees consistently failing to act on customer instructions in a timely way. The firm took a proactive and rounded approach to making changes to address the issue, including replacing manual processes with automated solutions. Some key cultural and behavioural traits the firm demonstrated included:

- taking responsibility and accountability for the issue
- understanding the customer journey and various channels for customers to provide instructions, including via digital online platforms, telephone and in branch
- designing a range of solutions for each customer channel to address the problem, rather than implementing quick fixes or one-off changes, and
- implementing appropriate controls to monitor the effectiveness of the automated solutions.

Credit

Actioning customer instructions to fix loan terms

A financial firm was failing to action customer requests to secure fixed rate terms in a timely manner. This meant higher fixed term rates were applied to customer home loans.

The delays were caused by employee errors. Although the firm had documented processes for completing requests, there were several manual steps in the process that were easy to miss. When AFCA raised the issue with the firm, it conducted a review of a small sample set of complaints over a two-year period and discovered that it had received at least 46 consumer complaints in which staff members had not completed loan switch requests correctly or in a timely manner. Although each of the complaints looked like isolated or one-off errors, taken together the data showed that there was a process deficiency that was impacting customers.

To resolve the issue, the financial firm made enhancements to its processes and began training its branch teams. The firm also introduced new tools which allowed customers to submit requests via self-service on its online banking platform and other bank-assisted channels (telephone and in branch) without the need for manual assistance from employees. The introduction of self-service tools allowed customer requests to fix home loan interest rates to be processed straight into the system without manual intervention. It also ensured that key components, such as communication of relevant terms and conditions and customer consent, could be captured digitally.

In remediating the consumers impacted by the issue, the firm honoured the original fixed interest rates and returned any overcharged interest.

Common systemic issues across industry sectors

Below are some case studies involving systemic issues across different areas of the financial services industry that we investigated between 1 January and 30 June 2023. They impacted groups of consumers who had not lodged a complaint with AFCA.

Some systemic issues impacted large numbers of consumers while others impacted a small group. No matter the size of impacted consumers, in most cases financial firms worked to ensure that consumers were remediated fairly and appropriately. In cases where a financial firm did not engage with AFCA or take steps to resolve the systemic issue, we referred the matter to the appropriate regulator to take action as necessary.

Banking and finance

Credit reporting

'Incorrect credit reporting for customers impacted by fraud'

A financial firm was incorrectly providing credit reporting information on customers' credit files where they had been impacted by fraud. The firm was also failing to confirm that the Credit Reporting Bodies (CRBs) had removed incorrect information once the fraud had been proven. At least seven accounts were identified as being impacted.

The systemic issue had several causes, including inadequate controls to suppress credit reporting on fraudulent accounts, and ineffective processes to validate correction requests with the CRBs.

The financial firm resolved the issue by introducing 'blocks' on fraudulent accounts to remove them and ensure they weren't reported to CRBs. The firm also enhanced its controls for monitoring CRB corrections, including the introduction of two layers of oversight to confirm corrections had been actioned.

Take note

When processes and actions are automated in systems based on conditional logic, there should be an option to supress those actions for exceptional scenarios when required. This option should be written into system conditions. The ongoing monitoring of customer processes and experiences should also identify exceptional scenarios early in order to incorporate them into processes and prevent further potential impacts for customers.

Incorrect credit reporting impacts customers experiencing financial hardship

A financial firm was incorrectly reporting defaults to CRBs without waiting 14 days after declining a request for financial hardship assistance. As per 9 .1 of the Privacy (Credit Reporting) Code 2014, financial firms should not report a default within 14 days of a decision to decline hardship assistance. The cause of the issue was a gap in the firm's system's consumer credit reporting logic. The exclusion logic relied on various conditions and, if these conditions were satisfied, the system would exclude a default from being listed with CRBs. The logic did not include an exclusion condition preventing a default listing from being applied within the 14-day timeframe.

Banking and finance (continued)

The systemic issue impacted 701 consumers who had defaults incorrectly listed on their credit files. The financial firm resolved the issue by ensuring consumers that had been impacted had their credit file information corrected. It also implemented a system solution to prevent the issue from recurring.

Incorrect credit reporting after contract repaid

A financial firm was failing to update liability information held by CRBs when a credit facility had been repaid or otherwise extinguished. This had a flow on impact as repayment history information would continue to be reported after the contract had ended. The root cause of the issue was a system limitation which meant closure dates in certain circumstances weren't recognised by the financial firm's system.

The firm identified the systemic issue after many complaints were lodged by consumers with AFCA about the issue. Following engagement with AFCA on the issue, the firm agreed there was a systemic issue that had impacted 2,500 consumers and reported this incident to the OAIC and ASIC.

To resolve the issue, the financial firm identified all impacted customers, completed manual reviews at individual customer level and ensured CRBs completed corrections. The firm also implemented internal process changes and a new control of exception reporting to ensure the issue does not recur.

Take note

Consumer complaints are a key indicator for systemic issues. Where many customers complain about the same issue, either directly to a firm or with AFCA, firms should consider whether the issue raised is a systemic issue. The early identification and resolution of systemic issues leads to better outcomes for consumers and industry.

Debt collection practices

Inappropriate debt collection where customers complied with long-term repayment arrangements

A financial firm was sending default and demand notices to customers who were complying with repayment arrangements, in breach of the Australian Competition & Consumer Commission (ACCC) and ASIC's Debt Collection Guideline for collectors and creditors (Debt Collection Guidelines). In one AFCA case, a customer was complying with a long-term hardship arrangement to pay $100 per fortnight until the debt was repaid, but the financial firm sent demand notices on three occasions. This breached the terms of the repayment agreement and the Debt Collection Guidelines.

The root cause of the systemic issue was a gap in the firm's system that set up payment arrangements for customers. Collections and hardship payment arrangements could not be programmed for more than 20 instalments and had to be manually reset to prevent default notices being generated. There was insufficient monitoring and automation to alert employees to manually reset the payment arrangements.

To resolve the issue, the financial firm implemented a temporary monitoring system to raise alerts when payment arrangements reach the 20-instalment limit so they could be reset. The firm is also upgrading its system to allow long term arrangements with no time or instalment limit.

Take note

Relying on manual workarounds and processes leaves financial firms open to issues if there is human error or a failure to follow manual steps in a process. Where automated solutions are not possible due to system limitations, the implementation of monitoring or oversight mechanisms can reduce issues occurring.

Banking and finance (continued)

Inappropriate debt collection to third parties

A financial firm was engaging in inappropriate debt collection activity, particularly when contacting third parties. Some of the concerning conduct, which was in breach of the Debt Collection Guidelines, included:

- continuing to contact third parties after they said they did not want to be contacted
- contacting multiple third parties about the same debtor without providing reasonable time for the debtor to respond, and
- using social media to identify third parties to contact.

The financial firm did not agree with AFCA's view that each of these practices represented systemic issues and were only able to reach a resolution on one issue. To resolve the first issue, the financial firm developed internal guidelines regarding contact made with third parties, which prohibited continued contact where a third party does not consent to be contacted. It also began providing compliance training to its employees.

The firm and AFCA could not reach agreement on the two remaining issues. Given the issues related to privacy, we recommended that the firm seek guidance from the OAIC, reported the matter to the appropriate regulators and closed our file.

Take note

Financial firms should regularly review their policies and practices to ensure they meet their obligations. Compliance risk management should be a priority within firms, including relevant controls and mechanisms to ensure compliance and oversight of the effectiveness of controls. Ineffective compliance risk management can lead to systemic issues impacting customers and consequences for firms that are not compliant.

Credit

Unclear customer communications in a remediation program

A financial firm was providing incorrect calculation of repayment and redraw on some loans. The amount of redraw was inconsistent with the minimum monthly payments required to amortise the loan over the approved term. The firm identified the issue itself and, after a review, found that the root cause of the issue was a calculation error in the system setup of the amortisation schedule.

To resolve the issue, the firm implemented a system fix to prevent the issue from continuing. It also identified 2,543 accounts and 4,277 customers that had been impacted by the error and completed remediation. The firm had reported the issue to ASIC.

Our involvement in the issue came about when customers lodged complaints about the outcomes they had received from the firm's remediation program. We helped to resolve these complaints about the remediation to bring finality to the issue, often providing more detailed and clearer explanation to customers about what had taken place.

Take note

When a financial firm undertakes a remediation program, consideration needs to be given to the customer experience and customer communication about the issue and the outcome. Firms should ensure remediation outcome letters and communications are clear, concise and provide a plain English explanation of what has taken place. Unclear, overly complex or legalistic communication about the issue can lead to customer complaints.

Banking and finance (continued)

System fix fails to resolve calculation errors for loan repayments

A financial firm was not properly recalculating minimum monthly repayments or loan term end dates where there had been a period of non-payment. Among the impacted customers, some were identified who had been in default or in a hardship arrangement as far back as 2014. The firm's loan management system had not recalculated customers' required repayments or extended the loan terms to account for the periods of non or short payment.

This issue had been identified first by the firm itself, and a system fix had been implemented. After further complaints were made to AFCA, it was apparent the system fix had failed to address all impacted accounts. The system fix did not pick up a particular cohort of customers.

To resolve the issue, the financial firm identified a further 545 impacted accounts. The firm completed its remediation, resulting in a total of $80,270.46 in interest and fees being returned to affected customers.

Take note

Where a firm has identified a systemic issue, it is important that proper analysis is undertaken to understand the root cause and the scope of the impact. Any proposed solutions should effectively address the issue. System fixes also need adequate testing prior to release to ensure the fix will address the issue and prevent it from continuing.

General insurance

Policy interpretation

Unfair settlement of motor vehicle claims

A financial firm was not settling claims correctly under its lifetime new for old car replacement policy benefit. The firm was settling claims without sourcing a replacement vehicle or, in some instances, was providing a settlement based on a quote obtained by the firm, where a dealer discount had been applied. These quotes were likely not actionable by consumers who would not be able to access dealer discounts and therefore, the consumers had not been indemnified appropriately. The issue arose due to wording in the relevant PDS resulting in this unfair practice.

The financial firm revised its PDS and practices and conducted an internal review that identified 237 consumers who had been affected by the incorrect settlement method. To resolve the issue, the firm completed its remediation program, resulting in a total of $655,442 being returned to affected customers.

Take note

Clear, transparent and fair practices should be used to settle claims in line with policy terms.

Incorrect settlement of theft motor vehicle claims

An insurer was not settling claims correctly in line with its motor vehicle policy. In particular, the insurer was repairing a vehicle or cash settling a claim, rather than settling the claim as a total loss when a vehicle had been stolen but recovered more than 14 days after the theft. The insurer said the issue was caused by employee errors in the handling of claims.

When a complaint was lodged with AFCA, the insurer said it had identified human error as being the cause and therefore concluded the issue was not systemic. When AFCA subsequently engaged with the insurer on the issue through its systemic issues team, it undertook a more comprehensive review of claims data and found that the issue was not an isolated incident.

To resolve the issue, the insurer identified opportunities to clarify the handling of these types of claims in line with the PDS. The insurer has also completed its remediation of impacted customers, resulting in $6.7 million being returned to 260 impacted customers.

Take note

One-off human errors can indicate that a firm does not have clear processes in place. Analysis of claims and/or complaints data can be a useful way to test whether what appears to be a one-off error is an isolated incident or a larger issue.

General insurance (continued)

AFCA Engagement

Unfair settlement agreements

A financial firm was using improper settlement agreements to settle AFCA complaints. The firm had been using a template for its settlement agreements which contained terms that did not align with AFCA's approach to terms of settlement.

The firm acknowledged the issue once AFCA raised it and explained that the template had not been reviewed through its internal due diligence process (which included review by Risk and Compliance and Legal teams) and self-reported the matter to ASIC.

To resolve the issue, the firm is currently completing its remediation program. The firm intends to contact impacted customers to correct possible misrepresentations and unclear messaging/language about their rights, including the right to contact AFCA and how to do so.

Take note

AFCA is required by section 1052E of the Corporations Act and ASIC Regulatory Guide 267 to report concerns about terms of settlement to relevant regulators. Guidance is provided on our website about appropriate terms of settlement. Financial firms should ensure they are aligned with AFCA's approach. Terms in settlement agreements should not be unfair or too broadly drafted, and the scope should be limited to the complaint at hand.

Inadequate processes to implement AFCA determinations

A financial firm failed to give effect to an AFCA determination when it did not take certain actions set out in the determination within stipulated timeframes.

Where a complainant accepts a determination, it is binding on the financial firm. AFCA takes it very seriously when a financial firm fails to give effect to an AFCA determination. AFCA is obliged under the Corporations Act to report such conduct to the appropriate regulators and in this case, AFCA reported the issue to ASIC and APRA, noting the firm's failure to comply with the determination.

The firm said the non-compliance was inadvertent and had arisen due to an 'oversight' or human error. Upon becoming aware of the issue, the firm commenced the series of actions set out in the determination to correct its non-compliance.

The financial firm conducted an internal review and identified other complaints where it had not met the timeframes prescribed in determinations. To resolve the issue, the firm reviewed and made improvements to its processes to ensure the issue does not recur.

Take note

Upon resolution of a complaint at AFCA, firms are obliged to comply with the outcome within the stipulated timeframe. Complainants are entitled to expect that, after having had their complaint resolved by AFCA, the firm will prioritise compliance and will finalise the outcome in a timely and efficient way.

Life insurance

Calculation of premiums

Inadequate notice of premium increases

An insurer was not giving appropriate notice of premium rate increases. An insurer is required to notify a policyholder of any material change to a policy (such as a premium rate increase) and provide 30 days' notice. The cause of the issue was a problem with a legacy policy administration system. This occurred over several years and four different policies were impacted by the issue.

The insurer had self-identified and reported this and other similar issues to ASIC and was continuing to engage with ASIC. The insurer had already taken steps to replace its legacy system and adjust timeframes in the new system to ensure compliance with notice period requirements.

Given the steps the firm had already taken, and as it was continuing to engage with ASIC on the matter, AFCA ceased its investigation to ensure there was no overlap in action taken by ASIC and AFCA.

Take note

Insufficient notice to policyholders about premium increases is likely to lead to increased complaints.

Provision of adequate product information

Misleading product information provided to non-English speaking customers

An insurer was failing to give customers adequate information to ensure its products were suitable and met their needs, circumstances, and objectives - particularly customers who do not speak English as a first language. Customers were complaining that they had been sold life insurance policies by the insurer's agent, who had misrepresented parts of the policy.

This was an issue that the insurer had identified and engaged with ASIC about several years earlier. The insurer had taken some steps to resolve the issue in 2009, including implementing a process for ongoing compliance monitoring. While actions had been taken, the fact that complaints had been made about the same issue in recent years after these actions had been taken suggested that the actions had not adequately addressed the issue.

AFCA is continuing to engage with the insurer to agree on steps to resolve the issue. AFCA has reported the issue to ASIC and will provide ASIC updates about any further steps the insurer takes to resolve the matter.

Take note

After becoming aware of an issue causing customer harm, suitable remedies need to be implemented that will be effective for as long as needed. Checks and balances should be implemented to regularly monitor implementation of the firm's response to the issue.

Life insurance (continued)

Unclear disclosure of medical definitions

An insurer was failing to provide clear disclosure about terms in its home loan protection insurance policy. In particular, the PDS did not contain medical definitions, but instead referred customers to a website for the relevant definitions. This practice meant that a customer had to undertake detailed research to find the correct terms of the policy, including searching and cross referencing by the name and date of the policy. A customer could easily have relied upon the wrong definitions as the website had archived policy material for similar insurance products. AFCA found this practice to be an unclear and potentially misleading way to explain policy terms.

The insurer disagrees with AFCA that it did not effectively disclose the terms of the policy and that this represents a systemic issue likely to have impacted policy holders. AFCA and the insurer continue to engage on this point. AFCA has reported the matter as a systemic issue to ASIC and will update ASIC about any further progress made to resolve the issue.

Take note

Information in a PDS should be easily accessible, clear and concise to enable a consumer to understand the financial product. Unclear and misleading product information can lead to harm for many customers.

Investments and advice

Breach of Corporations Act 2001

Failure to assess client suitability for high-risk trading

A financial firm was not appropriately assessing client suitability to trade contracts for difference (CFDs). CFDs are a high-risk investment product which should only be available to certain types of investors. The firm was permitting clients who may not have been qualified to trade CFDs.

AFCA formed the view that the firm was not compliant with the client qualification benchmark set out in Regulatory Guide 227 Over-the-counter contracts for difference: Improving disclosure for retail investors. The firm disagreed but still changed its practices to comply with RG227.

AFCA reported the issue to ASIC and is continuing engagement with the firm. The firm identified 8,358 clients who may have been impacted by its failure to assess suitability to trade CFDs. The firm has indicated that it does not intend to take any action to review or remediate this cohort. The issue will not be satisfactorily resolved until the impacted customers have been remediated for any harm caused by the issue.

Take note

Firms are required by law to properly classify customers as retail or wholesale. The law provides greater protections to retail clients and requires firms to prevent unsophisticated investors from trading in high-risk products.

When a firm has immature or inadequate processes in place to assess a client's risk profile and suitability to trade, losses can occur for consumers.

Superannuation

Breach of obligations under SIS Act and SIS Regulations

Migration of client data causes system issues

A financial firm was failing to rollover superannuation benefits in the required time because of issues with its systems. This was in breach of obligations under Regulation 6.34A of the Superannuation Industry (Supervision) Regulations 1994, which require trustees to process rollovers between three and 30 days after receipt of instructions.

The financial firm self-reported to the appropriate regulators (in this case ASIC and APRA) that the issue was systemic. The issue was caused by a migration of clients to a new fund administrator, without comprehensive validation and testing before releasing into production. As a result of the system issues, the administrator was unable to process contributions, and inwards and outwards rollovers.

The financial firm found that around 15,000 members had been impacted by the issue. The systems issues were rectified, and remediation is expected to conclude shortly.

Take note

Data migration is a complex process which can present challenges for firms and lead to issues. Taking a staged approach, together with comprehensive testing at key stages of the process, can prevent issues from occurring through the migration process.

Incorrectly coded superannuation contributions

A financial firm was incorrectly coding superannuation contributions when reporting to the Australian Taxation Office (ATO). There was a reserve distribution to eligible members, which was incorrectly reported to the ATO as a contribution. For otherwise inactive accounts, this caused the period of inactivity to be reset and therefore impacted the date of insurance cancellation. The coding error was caused by an administrative oversight.

The firm self-identified the issue and reported the systemic issue to ASIC and APRA, implemented fixes and remediated affected members prior to AFCA's involvement. This impacted 3,810 customers, who received a total of $1,627,091 in compensation, including the refund of premiums paid and compensation for lost earnings. Where appropriate, the option to retain insurances was also provided.

Small business

Provision of insurance to taxis

Unfair practices impacting taxis

A financial firm was inappropriately calculating the 'pre-accident value', when assessing a vehicle as a total loss, under a discretionary relief financial risk product. The firm had employed an external provider to assess the vehicles. The provider used a depreciation calculator to calculate the pre-accident value. This resulted in the assessed value being less than what the market would pay for a similar vehicle. This method of calculation was not fair and reasonable.

To resolve the issue, the financial firm identified six other claims that had been impacted by this issue and remediated them for loss incurred. The firm also ceased using the assessing company and appointed a new assessor, which was instructed to calculate the market value of taxis in line with what the market would pay.

Take note

Firms often outsource operations or services to external providers. When a financial firm has insufficient monitoring or oversight in place to identify an external provider's inappropriate conduct or errors, there is a risk that if there is conduct causing consumer harm it will not be identified and addressed efficiently. Where firms engage an external provider, appropriate monitoring and supervision is crucial to help prevent this happening.

Inappropriate insurance arranged for taxis

An insurance broker financial firm was arranging liability insurance for individual members of a taxi club, who were all taxi owners. The firm arranged a third-party property insurance policy with an excess of $15,000. As another similar product would have been available with a higher premium and much lower excess, AFCA found that the firm had failed to determine the individual needs of its clients and had provided an unsuitable product.

To resolve the issue, the firm identified several taxi owners who had been impacted. The firm contacted the taxi owners but only one person responded. The firm remediated their loss of $638 (premium plus interest). The firm committed to remediating any of the remaining impacted members if they contact the firm in the future.

Take note

When recommending a financial product firms must take into account the individual needs of their clients and recommend a suitable product.

Small business (continued)

Provision of credit to small business customers

Incorrect provision of business loans

A financial firm had been assessing and approving small business facilities and facility increases using unsuitable methods. It was not meeting its commitment under the Code of Banking Practice, including exercising the care and skill of a diligent and prudent banker in selecting and applying credit assessment methods and determining a customer's ability to repay the credit facility. The issues were caused by the firm's insufficient policies and procedures for business credit applications and increases. The financial firm used these methods for years.

AFCA received a significant number of complaints relating to small business financial difficulty. During our investigation, the firm shared data which showed high levels of delinquency and hardship for particular cohorts of customers which should have alerted the firm to the issues earlier.

To resolve the issue, the firm implemented new policies for assessing a customer's capacity to repay, including use of new lending analysis tools, and has implemented stricter controls over this type of lending. The firm also completed its remediation program, which resulted in approximately $18.5 million being returned to 1,300 customers.

Take note

Using a data model to measure statistical patterns against set parameters can help to identify issues impacting customers. Higher than expected levels of hardship or payment delinquency can alert a firm to possible issues with the provision of credit.

Any questions?

AFCA is available to help answer questions and discuss our approach to systemic issues. For more information on systemic issues or for any questions, you can contact us at **systemicissues@afca.org.au**