

**From:** [REDACTED]  
**To:** [AFCA Consultations](#)  
**Cc:** [REDACTED]  
**Subject:** Submission - AFCA Approach to Appropriate Lending to Small Business Approach  
**Date:** Thursday, 28 September 2023 6:09:13 PM  
**Attachments:** [REDACTED]

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Dear Consultation Team

Beyond Bank Australia has had the opportunity to review the consultation document above. We have found this to be a reasonable approach which aligns with BBA's policies and processes.

We do however, have feedback regarding section 3.6 'Considering if the financial firm should have asked for further information or clarification'.

The example provided on page 23 of the Draft Approach states: 'AFCA identified that the cash flow projections did not include salary costs for a site operator, and the site assessment revealed that a large shopping complex with a car wash on site would soon be built down the road.'

AFCA expect that the lender should have identified the missing salary for a site operator /site manager from the cash flow projections, even though it would be reasonable to conclude that Ezra was going to work at the business himself. Additionally, AFCA expect that the lender should have identified there would be a competitor operating in the future and therefore to collect the plan for managing cash flow with this competition.

- We consider this is unreasonable as it requires lenders to forensically inspect the information provided by a borrower to an excessive level and consider every potential gap in information and make enquiries. Given the volume of information collected from a borrower it is not considered reasonable to identify every potential issue that could arise in the future, particularly employment of all relevant roles (e.g. site manager – which could extend to cleaners, accountants, etc).
- It is not clear how prominently the 'site assessment' identified the competing business or the duration before its construction would be commenced / completed. There are a multitude of scenarios that could play out in the future which could not reasonably be established at the time of the application, including the possibility that there would be a change to the design of the site on the basis of the existing car wash business ultimately rendering the additional car wash unviable.
- In addition - In the example, the titles of site operator / site manager have been used interchangeably. This requires clarification that one role is being referred to.

Beyond Bank Australia considers that extent of enquiry expected by AFCA in this example is unreasonable.

Please contact me if you have any queries.

Kind Regards

**Julie Greenhalgh**  
Manager External Disputes Resolution

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