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Lead Ombudsman – Small Business and Transactions
Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001
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SUBMISSION PAPER:

Consultation paper - AFCA's new draft Appropriate Lending to Small Business Approach

This Submission Paper was prepared by Prospa Advance Pty Ltd (ABN 47 154 775 667). www.prospa.com

Prospa Advance Pty Ltd (**Prospa**) welcomes the opportunity to provide feedback on AFCA's consultation on its draft approach document "AFCA Approach to Appropriate Lending to Small Business" (**AFCA Approach**).

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A little about us – Prospa

Australian small business owners are increasingly turning to online small business lenders, such as Prospa, due to our ability to provide an online application process, timely credit decisions and funding, repayment flexibility and an excellent customer experience.

As awareness of alternative lenders increases, we expect small business owners will increasingly consider online small business lenders as an alternative to traditional lenders.

Increased awareness is being driven by several factors including:

- Increased number of industry participants;
- Increased marketing investment by industry participants;
- Increased media discussion of online lenders; and
- The Australian Government reference to online lenders as a viable alternative source of finance for small business owners (at both the State and Federal level).

Prospa is currently Australia's #1 Online Small Business Lender¹, operating out of Sydney. Since inception in 2012, Prospa has proudly supported small businesses with funding of more than \$4 billion and currently employs over 300 people in Australia.

Prospa offers Small Business Loans between \$5,000 to \$500,000 and a Line of Credit for up to \$150,000. All customers of Prospa are small businesses. Access to Prospa funding of up to \$150,000 does not require upfront security. All applications are processed using Prospa's bespoke secure online and phone application process.

Prospa's purpose is to unleash the potential of every small business by providing funding options to customers fairly, safely and with adequate levels of skill and good will. As a commercial lender, Prospa has developed a risk appetite which dictates our credit risk model, and how we determine and assess serviceability. Balancing portfolio performance within acceptable loss ratios is a constant focus. Loans that are repaid on time and in full are profitable, delinquent loans and defaults are not. It is in the interest of lenders, especially online lenders like Prospa, to ensure that we adjust our risk and commercial settings to ensure we lend to customers who can service their loan.

As Prospa is an ASX listed lender, the Board sets and oversees Prospa's risk appetite. Our risk assessment framework has oversight by our funders, which includes Australian banking institutions and independent auditors. Collectively, Prospa's risk and commercial settings are defined to achieve outcomes that are sustainable and that reflect accepted industry standards.

Since 2012, Prospa has created a technology led risk-based scoring methodology honed over more than ten years of lending to small businesses. This plays a critical role in credit assessment decisions leading to a risk-based priced offer customers can choose to accept or decline. Prospa's credit assessment process involves assessing over 500 data points, including turnover, profit and loss, business tenure, size, location and industry sector. These data points assist in benchmarking the small business applicant's information. We verify the specifics of every small business applicant using data from sources which may include

¹ In the Non-Bank Financial Services category, Prospa is the most trusted small business lending specialist on independent review site TrustPilot, with over 7,300 reviews and a TrustScore of 4.9 in Australia, and over 1,000 reviews and a TrustScore of 4.9 in New Zealand as at 8 August 2023.

(without limitation): ASIC's website, Equifax, bank transaction data from bankstatements.com and the Australian Tax Office as required.

An independent study conducted by RFI Group and the Centre for International Economics on behalf of Prospa, revealed the positive economic impact Prospa's lending has on small business in Australia. The research showed that for every \$1 million lent by Prospa contributed approximately \$4 million to Australian nominal GDP and created 57 jobs. These findings demonstrate that by providing small business owners with fast, simple access to finance, Prospa is directly contributing to its customers' revenue and jobs, as well as the wider Australian economy.

Prospa is deeply committed to achieving fit-for-purpose self-regulation having partnered with the Australian Finance Industry Association (**AFIA**) as a founding member to establish AFIA's Online Small Business Code of Lending Practice (the **AFIA Code**) and been members of an External Dispute Resolution (**EDR**) service for over 8 years, demonstrating our support for fair and independent customer dispute resolution when disputes cannot be resolved internally. We encourage and would like to see all financial firms to have EDR in place

General feedback on the Approach

Prospa welcomes the opportunity to consult on the AFCA Approach. We are also appreciative of the opportunity to meet with AFCA representatives on 11 September 2023 to discuss our initial feedback and better understand AFCA's intentions for developing the AFCA Approach. From that meeting, we understand that Prospa and AFCA are aligned in maintaining a very clear distinction between consumer lending and commercial lending standards and obligations. AFCA does not intend to introduce credit assessment requirements akin to responsible lending space within the commercial lending space.

Prospa acknowledges AFCA's objective of the AFCA Approach is to explain the way AFCA approaches common issues and complaint types. Such a document can provide transparency to financial firms such as Prospa and consumers about AFCA's decision-making process. Whilst AFCA does not intend for the AFCA Approach to be considered as a standard, it is important to recognise that it may be interpreted as such.

Consequently, it is important that the AFCA Approach clearly articulates AFCA's objectives. These objectives should strike the appropriate balance that is beneficial for small businesses and financial firms. As a financial firm that supports small businesses, Prospa requires that the AFCA Approach accomplish the objectives set out below.

- a) Provide certainty – the AFCA Approach should acknowledge that small business lending is not subject to consumer responsible lending obligations and lenders are able to set their own principles for credit assessment. Financial firms develop their policies and processes to minimise the risk of default and loss for the firm in line with their internal risk appetite. Credit assessments are designed to assess a small businesses' capacity to repay. These policies and procedures are often reviewed and approved by external funders. The AFCA Approach should provide certainty for financial firms and their stakeholders that a credit assessment completed in line with the lenders' policy and procedures will not be overturned by AFCA.
- b) Enable timely decisions – small businesses often require access to capital urgently to either take advantage of an opportunity or maintain business continuity. This need for capital is often unplanned or driven by seasonality cycles. This can range from identifying a discounted trailer to expand the skip removal business; or fixing a broken freezer to keep a bakery afloat. The AFCA

Approach should provide flexibility for financial firms to make timely decisions within their risk appetite without being required to adhere to rigid processes.

- c) Drive innovation and productivity – many small business owners often work over 50 hours across seven days a week. They are time poor and require simplicity with administrative tasks such as applying for a loan. These businesses often lack detailed business plans, cashflow statements or financial projections. The AFCA Approach must enable financial firms to service these businesses by providing innovative financing solutions via digital first mindset. The digital first mindset applies across application, credit assessment and decision-making process. Lenders must be able to leverage technology to meet their obligations, whilst providing human support to the customers that require it most. This approach will drive productivity within the finance and small business sector, and ultimately reflect in reduced cost of capital for the end customer. Extension of Open Banking across non-bank lending space will also assist in innovation, although the legislative framework supporting this is still a few years away.
- d) Enable competition – small businesses seeking financing of less than \$100,000 are often marginalised by the big banks. The AFCA Approach must not introduce high barriers on competition which would result in the big banks being the only providers small business lending. Absence of competition in this space will lead to small businesses turning to consumer lending such as personal credit cards or overdrafts over their residential property to fund business activities.

Unintended consequences

Achieving the right level of regulation to keep small business moving in today’s economic environment is critical. The needs of small business must be at the heart of regulation for the majority, not wide sweeping changes for the minority. AFCA should ensure that its approach maintains a very clear distinction between consumer lending and commercial lending standards and obligations, recognising applicable industry codes where applicable. Possible unintended consequences of the AFCA Approach creating new obligations on commercial lenders include:

Reduced access to capital	Increased cost of capital
<ul style="list-style-type: none"> • Lenders will only be able to lend to those small businesses that meet the stricter criteria set out in the AFCA Approach. Many small businesses do not have the documents or information suggested in the AFCA Approach, and may be unable to access capital. • Credit application process and assessment may take weeks. This will impact small business’ ability to quickly capitalise on opportunities. • Small online business lenders such as Prospa do not have the large resources of the banks. We may not find it competitive to operate in the environment, reducing competition and encouraging the larger banks to expand their control and 	<ul style="list-style-type: none"> • Increased processing costs for lenders as more information needs to be reviewed, followed up and verified, prior to lending decision. This will be particularly felt on smaller loan sizes under \$250,000 where the margin earned on a small business loan does not allow for significant costs of assessment. This is why technology-led solutions such as Prospa have been able to offer credit to small businesses where the traditional banking system has not. • More human effort for credit assessment as opposed to automation. This will negatively impact productivity across the economy.

<p>monopoly over the business lending market.</p> <ul style="list-style-type: none"> • Due to reduced competition and access to capital, small business owners will turn to consumer credit products for business purposes. For example, small business operators may use their personal credit cards, or refinance their residential property to use funds for commercial purposes. 	<ul style="list-style-type: none"> • Increased complaints for lenders and AFCA as the AFCA Approach sets out a new blueprint for customers that are unable to make repayments and does not hold the lender to the standards of their internal credit policies and relevant industry codes. • Lower number of approved customers means that the overheads need to be distributed amongst a small customer base which will lead to higher cost of capital.
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Response to AFCA specific questions

As requested, we have provided our responses to the specific questions noted by AFCA and our feedback about changes that could be made to the AFCA Approach to better achieve AFCA's objectives.

Section 3: How we decide if a financial firm has met its lending obligation

1. Do you have any comments about our proposed approach to assess whether a small business loan is appropriate?

Not exceed legislative requirements

We agree that commercial lending is not unregulated lending as *Australian Securities and Investment Commission Act 2001 (Cth) (ASIC Act)* obligations and industry code obligations may apply. However, outside of that, the credit risk decision is based on the financial firm's internal risk appetite. Although there is limited regulatory guidance available on how lenders make that commercial decision, AFCA should refrain from creating a guide that goes beyond the current legal or regulatory principles and requirements, as AFCA determinations cannot be appealed by a financial firm.

This will align the AFCA Approach to the draft approach on responsible lending which states:

*"When considering responsible lending complaints, AFCA primarily focuses on whether the financial firm complied with the law as interpreted by the courts and supplemented by regulatory guidance."*²

Product suitability

² Page 21, The AFCA Approach to Responsible Lending (Draft) (July 2023)

Section 3.3 of the AFCA Approach states that AFCA will consider the statutory warranty in section 12ED(2) of the ASIC Act when considering whether a loan was appropriately given. That section requires that where a customer has, expressly or by implication, made known a particular purpose or result to be achieved with the product or service, the product or service must be “reasonably fit for that purpose or ... of such a nature and quality that they might reasonably be expected to achieve that result”.

Importantly, the legislation focuses on the purpose or result, not on the method used to achieve that purpose or result. For example, a customer may seek a loan to make improvements to their business premises. Provided that the customer can access the amount required to pay for the improvements in the time required, the loan will be fit for purpose. However, the examples in the AFCA Approach weigh in favour of customer desire, for example a customer may prefer a revolving loan that they can draw down and repay at will, as opposed to whether the loan meets the relevant purpose.

AFCA should ensure that the examples used to illustrate the statutory warranty reflect that it is the purpose or result that is paramount, rather than the particular features of a product or service.

Industry codes of practice

Section 3.3 of the AFCA Approach states that AFCA will consider good industry practice when considering appropriate lending complaints. Furthermore, the AFCA Approach states that AFCA may apply principles of a code to non-subscribers if those principles reflect good industry practice. However, neither the AFCA Approach or AFCA’s Factsheet titled “AFCA’s Approach to Code obligations for credit providers (October 2022)” specifies how AFCA will determine good industry practice. This creates ambiguity as the obligations that AFCA may apply to financial firms are undefined. Financial firms in small business lending fall within various sub-sectors ranging from large ADIs to online lenders such as Prospa. Practices adopted by these participants vary significantly. Without a clear definition of “good industry practice”, financial firms will be unable to (a) determine what constitutes good industry practice and (b) as a result, implement processes and procedures that will enable them to comply with the obligations that may be applied by AFCA.

Financial firms and their respective funding partners require a sustainable level of comfort and support when enforcing their contracts and should be able to do so without unwarranted fear or threat of regulator / AFCA intervention. Therefore, it is paramount that the obligations applicable to a financial firm are clear at the outset.

Borrower’s non-disclosures

Section 3.1 of the AFCA Approach sets out the information that AFCA will have regard to when reviewing a financial firm’s lending decision. That section focuses on conduct of the financial firm without placing any positive disclosure obligations on the borrower, however any incorrect disclosures or non-disclosures by the borrower as part of the credit assessment process should also be considered by AFCA.

For example, the onus should not be on a financial firm to identify all debts of a small business or its key management as this information is not always public or attainable via independent sources. A financial firm can only access a commercial credit report about the business and its key management. That credit report may not disclose all debts for the business or its key management. A financial firm that is not an Australian credit licence holder is unable to obtain a copy of the individual credit reports of key management. Therefore, the onus should be on the small business to disclose any outstanding debts to enable the financial firm to make a considered credit decision. Incorrect or non-disclosure of debt or other key information by a borrower should be reflected as a factor in AFCA’s decision-making process.

Business decisions

A small business may require a loan for various reasons. It can range from acquisition of asset, working capital, cash-flow management, or other investments. There is an underlying assumption that the borrowed funds will assist the business and ultimately assist in further growth of the business. Businesses are optimistic about reasons for borrowing funds and this is reflected in their credit application. Section 3.7 of the AFCA Approach states that AFCA expects a financial firm to make further enquiries if it considers the use of funds to be risky. This is an overzealous expectation as financial firms do not have sufficient capacity or capability to risk assess each opportunity put forward by a small business customer.

In addition, there is a risk that undertaking an analysis of each opportunity (and making a lending decision off the back of that analysis) would require financial firms to provide business or financial advice to the business. Financial firms may also be exposed to further complaints or legal action if the opportunity does not eventuate as per their analysis. Whether to take an opportunity is a decision that should be undertaken by the business. It does not follow that the business opportunity not eventuating as expected or the borrowed funds being mismanaged by the small business indicates failings in the credit assessment process. This requirement should be removed from the AFCA Approach.

Third parties & brokers

Small business loans are often arranged by third party brokers. The brokers act as a borrower's agent and assist in identifying a suitable lender, product, terms and then completing the application process. The brokers manage the relationship with the small business and are better placed to advise on product suitability. The AFCA Approach should consider the role of these third-party brokers in arranging small business loans.

2. Do you have any comments about the non-exhaustive list of factors on page 19 that we may consider were appropriate for a financial firm to obtain or consider during their lending assessment?

Financial firms need to make a risk-based determination around the applicant's capacity and willingness to repay. This ensures that loans are repaid on time and are profitable. Financial firms should be able to apply their own judgment in determining the factors relevant in completing a credit assessment. This aligns to ASIC's views in *ASIC Regulatory Guide 209 Credit Licensing: Responsible Lending Conduct (December 2019)* (RG209) which states:

*"The process of determining the kinds of inquiries and steps that are reasonable has been described as 'scalability'. You need to apply your own judgment in determining what is reasonable in the individual circumstances."*³

Section 3.5 of the AFCA Approach does not state that the financial firm has the flexibility to apply its own judgment in completing a credit assessment. To the contrary, the AFCA Approach sets out a non-exhaustive list of factors that AFCA may consider relevant to a credit assessment after the fact. Specifically, page 18 of the AFCA Approach states:

*"We may also consider if any of the following factors (or information) were relevant to the financial firm's credit assessment, depending on the circumstances and type of loan."*⁴

Inclusion of such factors creates uncertainty for financial firms as a point in time credit assessment may be revisited and AFCA may have regard to factors that did not form part of a financial firm's criteria.

³ RG 209.81

⁴ Pg 18 of the AFCA Approach

Additionally, some of the factors extend a financial firm's obligation to evaluate the value of business opportunity and undertake activities ordinarily completed by accountants, financial advisors, or lawyers. For example, a financial firm should not be required to review business contracts, lease or franchise agreements or challenge industry outlook or market conditions. These investigations should be made by the business that is borrowing the funds.

We suggest that the AFCA Approach adopt a principles based approach by stating that AFCA would assess if a financial firm completed a credit assessment which was commensurate with the risk having regard to the type of the financial firm, credit product, amount of credit and characteristics of the borrower. The AFCA Approach should not include a non-exhaustive list of factors as this will inadvertently create a standard which will require credit assessments to incorporate the list of enquiries. This will enable financial firms with different risk appetite to develop a credit assessment process that aligns to their operations and be in line with self-regulation model adopted by small business lending industry.

Prospera acknowledges that we have a higher credit risk appetite than traditional lenders and some of our customers may not be able to borrow from the big banks. Our risk appetite states that we may incur some credit losses and price for these losses within our product pricing. Credit losses may transpire normally due to change in circumstances. That doesn't mean that the original credit assessment was incorrect. For example, a plumber wanting to borrow \$5,000 to purchase tools as a sole trader may not be able to respond to the factors set out on page 19 of the AFCA Approach. Prospera's risk appetite enables us to take on the credit risk after completing an assessment which is commensurate with the risk without considering the factors set out on page 19 of the AFCA Approach.

Alternatively, AFCA should consider using similar language as ASIC in RG 209 to describe the factors as examples for illustrative purposes and these examples are not exhaustive or intended to impose or imply particular rules or requirement.⁵

3. Do you have any comments about the list of common warning signs on page 24 that AFCA may consider should prompt a financial firm to make further inquiries during the credit assessment process?

The circumstances and level of further inquiries noted on page 24 to 26 of the AFCA Approach are substantial and overly prescriptive. Whilst identification of some of these circumstances and further inquiries can be automated via data matching tool, this is not possible for all the circumstances and further enquiries set out in the AFCA Approach. As the loan may be categorised as inappropriate by AFCA if the listed circumstances are present, a financial firm will be required to build processes to identify such circumstances and make further inquiries. The level of possible further inquiries will lead to significant increase in requested information and require detailed interviews with small business owners. Review and interrogation of the information will require effort by qualified credit analysts that will impact the timeliness of credit decision and the overall cost of application processing. This will ultimately impact the access and cost of capital for small business owners. A prescriptive approach minimises flexibility and risks stifling innovation and competition.

As noted in response to Question 2, the AFCA Approach should set out a principles-based approach requiring financial firms to complete a credit assessment which is commensurate with the risk as opposed to prescriptive and detailed list of enquiries that a financial firm should complete.

⁵ RG209.83

Section 4: How we determine fair outcomes and calculate loss

4. Do you have any comment about our proposed approach to calculating loss and determining fair outcomes?

We support AFCA's views that a financial firm is not liable for loss caused by a business decision, and waiving the principal amount borrowed is generally not appropriate because the small business has benefited from it. Informing the complainants of these limitations early in the complaint process assists in managing expectations and may often lead to early resolution of the complaint.

Section 4.3 of the AFCA Approach sets out the general approach to calculating compensation. It notes that where a lender provides an inappropriate loan to a small business, "the lender is generally required to reimburse or waive all interest, fees and charges to the loan, being the loss caused to the small business". We consider that this calculation is not fair to both parties. A financial firm also incurs a cost in providing the loan. This cost of capital should also be considered as part of the compensation calculation. Whilst it may not be fair for a financial firm to profit from an inappropriate loan, the firm should be able to recover its own costs where the small business has had the benefit of the credit. At a minimum, AFCA should recognise the RBA cash rate as the minimum cost of capital and take this into account when calculating the adjusted debt. The cost of capital should also be payable whilst the adjusted debt remains outstanding.

The AFCA Approach states that AFCA applies a flexible approach to repayment of an adjustment debt. This could include varying or extending the term of the loan contract, often with a reduced repayment amount. It is important to recognise that the financial firms incur additional internal costs in maintaining such loan facility. A borrower on extended repayment plan is more likely to request further repayment moratorium or have missed repayments. These events lead to additional processing costs for the financial firm and cannot be passed onto the borrower. A financial firm is also unable to securitise these loans and is required to fund the outstanding balance on balance sheet. AFCA should recognise these limitations when determining a fair outcome to a complaint. In some instances, it may be fairer for both parties if the borrower agrees to make a single full and final payment to finalise the outstanding amount.

Other feedback

5. Do you have any comments about the examples provided in the Approach? Are there other examples you would like to see in the Approach?

As noted above, there are a range of financial firms of varying size that participate in small business lending. However, the examples included in the AFCA Approach mostly refer to larger commercial loans which are often secured by real property. Additional examples in the AFCA Approach involving small value loans without collateral or small businesses with limited information – eg, small businesses with less than 5 employees will be of assistance to better illustrate application of AFCA's principles to such loans.

It will be useful if the AFCA Approach included references to case law or other precedents relating to specific examples. This will enable financial firms to better understand the applicable obligations and AFCA's interpretation. This is particularly useful for examples that refer to the obligation that the supply of financial services must be reasonably fit for purpose, or examples where the AFCA Approach puts forward AFCA's position such as "we may consider the loan is not reasonably fit for purpose".

Prospera acknowledges AFCA's objective of the AFCA Approach is to explain the way AFCA approaches common issues and complaint types. Whilst AFCA does not intend for the AFCA Approach to be considered as a standard, it is important to recognise that it may be interpreted as such by a customer. This is exacerbated by using broad examples and open language such as "examples where we may consider the loan is not reasonably fit for purpose include"⁶. We suggest that AFCA clarify that the examples are for illustrative purposes and not intended impose or imply rules or requirement.

6. Do you have any comments about our use of the phrase "appropriate lending" as a description of the standard to be applied for small business lending? This phrase is not widely used outside AFCA, but we wanted to find and use a phrase to describe small business lending that was different to "responsible lending" (which applies to loans to consumers) and "unregulated lending" (because small business lending does have regulations).

The *National Consumer Credit Protection Act 2009* (Cth) (**NCCP Act**) sets out the obligations on a credit licensee in respect to consumer credit. The obligation of a credit provider is to assess whether the credit product, or an increase to the credit limit under an existing contract, that is being considered or applied for is unsuitable for the particular consumer.⁷ This assessment is required to determine that the credit product or credit limit increase is "not unsuitable" so that the credit provider can engage in other credit activities. The use of double negative within the NCCP Act was deliberate as it did not impose a higher obligation to provide a suitable credit product.

In our view, the AFCA Approach is imposing a higher obligation on commercial lenders in respect to small business loans by requiring lenders to engage in "appropriate lending". The continual use of language such as "whether the credit contract was appropriate for the small business"⁸ creates a higher standard than the obligation imposed on licensed lenders under the NCCP Act.

Prospera recognises AFCA's intention to distinguish between consumer and commercial lending complaints by developing a phrase other than responsible lending. However, the phrase "appropriate lending" appears to create an obligation above the legislative obligation imposed on lenders subject to the responsible lending framework. The phrasing of obligation in the AFCA Document could be reworded as "the credit contract is not inappropriate for the small business", or alternatives to 'appropriate lending' include 'careful lending' or 'considered lending'. We do not suggest the use of phrase 'prudent lending' as that is specifically applicable to authorised deposit taking institutions that subscribe to the Banking Code of Practice, and have prudential obligations administered by the Australian Prudential Regulation Authority.

7. Do you have any other feedback about changes that could be made to the draft Approach to better achieve our objectives?

Business purpose declaration

Section 13(5) of the *National Credit Code* (**NCC**) states that a business purpose declaration is ineffective for the purposes of section 13 if it is not substantially in the form required by the regulations. Section 3.5 of AFCA Approach states that AFCA may consider the NCC applies to the loan if the business purpose

⁶ Page 17 of the AFCA Approach

⁷ RG 209.171 – ASIC Regulatory Guide 209 Credit Licensing: Responsible Lending Conduct (December 2019)

⁸ Page 11 of the AFCA Approach

declaration cannot be relied upon. We consider that AFCA's view is inconsistent with the interpretation of section 13 of the NCC.

In our view, section 13 of the NCC should be interpreted as precluding the lender from relying on the business purpose declaration to presume that the NCC does not apply to the loan if that declaration is not substantially in the form required by the regulations. The NCC will not apply to the loan solely because the declaration is not in the correct form, provided that the lender can establish that the credit was provided for non-Code regulated purposes and hence the loan is not regulated by the NCC.

Commercial in confidence information

Page 13 of the AFCA Approach states that AFCA may not be able to rely on commercial in confidence information in its decision making unless special circumstances apply. This may not be practical in certain circumstances. For example, AFCA will consider a financial firm's internal lending policy as part of its assessment. That policy is commercial in confidence as it contains a lender's internal risk settings, fraud controls and other confidential information. Financial firms can share this document with AFCA for its assessment purposes whilst identifying that the document is not shared publicly. It may be appropriate for AFCA to share excerpts of that document with the complainant and rely on those specific sections as part of the decision-making process.

Closing comments

Thank you for providing the opportunity to respond to this consultation. Prospa welcomes the opportunity to discuss our comments and suggestions, and continue its engagement with AFCA in a pro-active fashion.

Should you wish to discuss our submission or require additional information, please contact Abhishek Bansal, Head of Operational Risk & Compliance on [REDACTED]