

CommonwealthBank

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20 June 2019

Mr Mike D'Argaville
Legal Counsel
Australian Financial Complaints Authority

By Email to: submissions@afca.org.au

Dear Mr. D'Argaville,

Consultation on AFCA Rules changes to identify financial firms in published determinations

Thank you for the opportunity to comment on the Australian Financial Complaint Authority's (AFCA) consultation paper in relation to Rules changes to identify financial firms in published determinations.

The Commonwealth Bank of Australia (CBA) has contributed to a number of industry discussions on this issue, including the Australian Banking Association's (ABA) submission. In addition, CBA would like to express its support for AFCA's proposed amendments and believes they will give effect to AFCA's commitment to being open, transparent and accountable to the public.

Increased transparency will assist the financial services industry to rebuild trust with our customers. In addition to the new AFCA Rules, CBA recognises ASIC is proposing updates to its Regulatory Guidance on Internal Dispute Resolution (IDR) processes¹ to enhance reporting of complaints. CBA believes that the combination of these changes will highlight that the majority of complaints received by CBA are addressed by resolving the underlying issue or through IDR or post-IDR processes, without the need for AFCA determinations. CBA believes that the amended Rules will also provide customers with additional clarity on the reasons behind AFCA determinations, which can be valuable for complainants, as well as other customers that may be considering raising similar complaints to those published.

To ensure the resolution of complaints continues to receive senior attention and oversight, responsibility for complaints management has been elevated to the Deputy Chief Executive Officer. CBA has changed the way it manages customer complaints to ensure they are resolved quickly, fairly and compassionately. This includes introducing new principles for complaints handling and providing more resources to the complaints team. Where complaints are escalated for external determination, the bank is committed to resolving AFCA disputes fairly and consistently for our customers. This is underpinned by CBA's

¹ Refer to ASIC's Consultation Paper 311 proposing updates to Regulatory Guide 165.

Engagement Principles which set out that the Group will work with AFCA in a proactive, honest, open and transparent manner.

Before finalising any changes, CBA would encourage AFCA to consider the practical applications of the proposed Rule A.14.5. Whilst the Rules should allow AFCA to consider the circumstances of each case when deciding whether to publish decisions, CBA would welcome further guidance and clarity on the types of factors that AFCA would consider in determining whether a case meets the threshold of “compelling reasons”. Transparency on this aspect will afford all parties to a dispute with a clearer understanding of the end-to-end external dispute resolution process.

If you require further information in relation to any of the matters raised in this submission, please do not hesitate to contact myself or Mohini Tiwari on [REDACTED] or at [REDACTED]

Yours sincerely

A handwritten signature in cursive script that reads "Catherine Fitzpatrick".

Catherine Fitzpatrick
General Manager
Group Customer Relations