

19 June 2026

Ms Eva Scheerlinck
Independent Reviewer

Via email: evascheerlinck@gmail.com

Dear Ms Scheerlinck

Interim Report of the Independent Review of the Customer Owned Banking Code of Practice

COBA welcomes the opportunity to respond to the interim report of the independent review of the Customer Owned Banking Code of Practice 2022 (the Code). We thank you for your engagement with COBA and our members throughout the review process and for the thoughtful consideration reflected in the interim report and its recommendations.

A consultative review process is critical to ensuring the Code remains relevant, effective and responsive to evolving consumer expectations. COBA appreciates the strong engagement from regulators, consumer advocates, subscribers and industry stakeholders throughout the review. Such engagement helps ensure the Code continues to deliver meaningful outcomes for customers while remaining practical and sustainable for subscribers.

COBA supports the objective of continuous improvement and recognises the important role independent reviews play in ensuring industry codes remain fit for purpose. As recognised in ASIC's guidance on industry codes, effective codes complement legislative obligations, address industry-specific issues and deliver tangible benefits to consumers. In our view, the current review provides an important opportunity to consider how the Code can continue to achieve these objectives in a manner that reflects the distinctive characteristics of the customer-owned banking sector.

A central consideration for this review is the unique nature of the mutual banking model. Customer-owned banks are owned by their customers rather than external investor shareholders. This creates a direct alignment between the interests of the institution and its members which fundamentally shapes how customer outcomes are considered, how products and services are designed, and how institutions engage with their communities.

While customer-owned banks operate within the same regulatory framework as other authorised deposit-taking institutions (ADIs), their ownership structure creates different incentives and accountabilities. Profits are retained and reinvested for the benefit of members through pricing, service improvements and long-term sustainability rather than being distributed to external investor shareholders. This structural alignment supports a relationship-based approach to banking that prioritises trust, financial wellbeing and fair customer outcomes.

COBA believes that there is an opportunity for the review to further reflect on these distinguishing features in preparation of the final report. We recognise that some stakeholders may assume that all ADIs operate under similar commercial incentives and, consequently, adopt similar approaches to customer relationships. While understandable, this perspective does not fully account for the characteristics of the customer-owned banking sector or the way that customer outcomes are achieved within a mutual model.

Importantly, a one-size-fits-all approach to industry codes may not always be appropriate. The principles that underpin effective industry codes recognise the importance of proportionality, flexibility and responsiveness to the industries they govern. This principle has recently been re-endorsed in 2025 by banking regulators following the Council of Financial Regulators (CFR) Review into Small and Medium Banks. The regulators have affirmed that a one-size-fits-all approach is not necessarily appropriate for all situations and have made commitments to bring more flexibility into regulatory frameworks.

For customer-owned banks, the Code has historically operated as a principles-based framework that complements the strong customer-centric approach to banking already embedded within the mutual ownership structure. This approach has enabled subscribers to deliver positive customer outcomes while adapting implementation to their particular circumstances and customer needs.

The sector itself is also highly diverse. Customer-owned banks vary considerably in size, scale, geographic footprint, customer composition and operational capability. Many continue to play a significant role in supporting regional and rural communities, with more than half of all sector staff employed outside metropolitan centres. Some subscribers serve broad retail customer bases, while others support more specialised or focused member communities. Measures that may be appropriate and readily achievable for some subscribers may be less suitable or effective for others.

For this reason, COBA supports reforms that focus on the outcomes to be achieved rather than prescribing a single method of implementation. Flexibility allows subscribers to meet customer needs in a manner that reflects their operating model, systems, customer cohorts and community expectations while still being accountable for delivering the intended customer outcome. Changes to the Code should strengthen customer outcomes while remaining operationally workable, proportionate and aligned with existing legal and industry frameworks.

COBA is supportive of recommendations that:

- improve customer outcomes through practical and meaningful protections;
- address clearly identified issues or emerging risks that are not adequately addressed through existing regulatory frameworks;
- maintain flexibility for subscribers to achieve the intended outcome in a manner that reflects their size, systems, customer base and operating model;
- are proportionate to the risks presented by customer-owned banking institutions and their generally simpler product offerings;
- are technology-neutral and capable of adapting to future changes in systems, service delivery and customer expectations;
- avoid unnecessary duplication of existing legal and regulatory obligations; and
- support greater simplification, accessibility and clarity of the Code for both subscribers and their customers.

COBA also supports targeted uplift where evidence demonstrates that additional protections are warranted. Our submission of 7 April 2026 identified vulnerability and financial abuse as areas where practical enhancements may strengthen customer outcomes. However, any reforms should remain outcomes-focused and sufficiently flexible to accommodate the diversity of customer circumstances and the varied operating environments of Code subscribers.

More broadly, COBA believes the review should focus on evolutionary change. The current Code provides a strong foundation and has contributed positively to customer outcomes across the sector. Future reforms should build on this foundation through targeted, proportionate and evidence-based improvements that preserve the strengths of the existing framework while addressing clearly identified opportunities for enhancement.

COBA outlines our views on the recommendations in **Appendix A**. COBA looks forward to receiving the final report and its recommendations by 31 July 2026, and reviewing the feedback provided by key stakeholders.

Thank you for taking the time to consider our submission. If you have any queries, please contact Robert Thomas, Senior Manager Policy (rthomas@coba.asn.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Lawrence', with a stylized flourish at the end.

MICHAEL LAWRENCE
Chief Executive Officer

Appendix A – COBA views on Interim Report Recommendations

No.	Recommendation	COBA comment
Section 3 – Effectiveness of the Code		
1	The Code should be written in accessible language addressed to customers and prospective customers, and apply to subscribers, their staff and their representatives.	COBA supports further simplification of the Code that improves clarity and accessibility.
2	The Code should adopt a layered structure distinguishing between commitments (values and intent), minimum standards (enforceable obligations using 'must'/'must not' language, applied uniformly across all subscribers), expectations (standards above the legal minimum, enforceable but applied with proportionality to the size and circumstances of the subscriber) and guidance (supporting proportionate implementation). All enforceable obligations must remain within the Code itself.	<p>As COBA supports simplification of the Code, we are concerned that the proposed layered structure risks detracting from this objective and may introduce more complexity than the current approach. This could make it harder for consumers to understand what is being committed to by subscribers under the Code and may also make it more difficult for subscribers to operationalise. In addition, it may be more challenging for other stakeholders, such as AFCA, to distinguish between binding and non-binding requirements.</p> <p>We understand the intention behind this proposal and the effort to improve clarity on binding commitments and aspirational elements. However, we also note that this proposal would be dramatically different in approach from existing industry codes.</p> <p>COBA supports a continuation of the existing model where overarching, unifying promises are made to customers with specific commitments made to help achieve these promises. COBA is open to exploring with subscribers the option of non-binding guidance to help inform approaches to applying the Code.</p>
3	At the commitment layer, the current seven key promises should be replaced with a set of thematic commitments that reflect the distinctive purpose of customer-owned banking, signal to customers what outcomes they can expect and anchor the detailed obligations in the body of the Code.	COBA supports discussion on updating the key promises of the Code to better reflect the distinctive purpose and values of customer-owned banking. As a starting point, we believe that the promises should be sufficiently high-level and broad to ensure they are not overly prescriptive or create expectations that extend beyond the purpose and scope of the Code. Overly prescriptive promises could create confusion on what is being committed to especially as this prescription is provided in the body of the Code itself. The list of promises should

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		<p>reflect the final position of what the sector commits to do under the Code.</p> <p>We believe most of the 10 proposed key promises are appropriate starting points for this discussion. However, we believe that some may be too granular, noting the issues are already being appropriately captured by some of the other proposed promises. For example, the draft promise 8 (deceased estates) could be potentially covered by promises 2 (open and clear), 3 (safe, fair, accessible and inclusive banking services), and 5 (vulnerability).</p> <p>As discussed further below in response to recommendation 21 COBA is open to including a promise to Indigenous Australians as suggested by promise 6.</p> <p>We believe that promise 9 on digital channels and technology could be appropriate if it were reframed in a technology-neutral manner.</p> <p>We also suggest that the reviewer reconsider the appropriateness of removing the existing promises that we believe incorporate fundamental principles. For example, the existing promises to comply with the law and to not mislead or deceive. These promises may, on their face, appear obvious. But we believe these promises are important commitments to customers that help to build trust and confidence in confirming the ethics of customer-owned banks in how they approach engagements with their customer-owners.</p>
4	<p>At the minimum standard layer, mandatory language ('must', 'must not') supported by objective criteria must be applied in the priority areas identified in this review: financial hardship; vulnerability; domestic and family violence and financial abuse; First Nations banking; small business lending; complaints handling; deceased estates; branch closures and service continuity; and digital service delivery and the use of artificial intelligence and automated decision-making. The specific</p>	<p>COBA supports the Code providing subscribers flexibility in responding to their customers while also encouraging innovation in how they meet their commitments. We recognise that there are some instances where more specific and granular commitments are appropriate, but these should be carefully targeted in their use and application.</p>

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	obligations recommended in each area are set out in Sections 4 to 11 of this report.	
5	The Code must include a dedicated section setting out customer rights under the Code. This section must explain that the Code forms part of the contractual relationship between the customer-owned bank and its customers and is enforceable through that contractual provision (a feature of the customer-owned sector that this review recommends be retained); that as members of the institution, customers can participate in its governance under the 'one member, one vote' model; that customers can enforce Code commitments through internal dispute resolution and AFCA; and that customers can report a suspected breach to the COBCCC.	<p>COBA supports greater transparency, and consumer awareness of the unique mutual business model, and the protections and benefits available to customers under the Code.</p> <p>However, we believe that this recommendation may be conflating several different issues. There is the enforceability of Code obligations by customers as a contractual right, the "customer rights under the Code", and the rights that these customers have as members of a mutual business under the Corporations Act and the company constitution. To assist with clarity, we suggest that this be more clearly explained, perhaps as two separate recommendations.</p> <p>COBA supports a dedicated non-binding section in the Code that helps to clearly explain the customer-owned banking model to customers. We would need to further understand the proposal for "customer rights under the Code", as these could have broader implications for the interpretation of customer contracts.</p>
6	At the guidance layer, the Code should be supported by subordinate guidance documents developed by COBA in consultation with subscribers and stakeholders, including the COBCCC and AFCA. COBA and subscribers should agree the priorities for guidance development and a mutually agreed timeframe for delivery, recognising that guidance development is not a current COBA practice and that a transition period is required to build this capability.	COBA recognises that customer-owned banks continue to operate in a complicated regulatory environment, which creates a desire for more guidance on industry best practice. COBA is open to considering the option of non-binding guidance with subscribers at the completion of the review.
7	At the minimum standard layer, the Code must include an express statement that subscribers will keep abreast of, and align their practices with, regulatory guidance issued by ASIC, AFCA, the COBCCC, AUSTRAC, the Privacy Commissioner and other relevant bodies in the periods between Code reviews, even where that guidance is not explicitly referenced in the Code.	As highly regulated entities, subscribers give due consideration to all guidance issued by regulators. As such, COBA in-principle does not necessarily oppose there being recognition in the Code that subscribers should give due regard to regulatory guidance where appropriate. However, we would not support references to specific guidance documents which may be updated or superseded in between Code reviews.

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		<p>While being potentially open to this recognition in the Code, we would not necessarily be supportive of binding subscribers to “align” with the guidance. Regulatory guidance is intended as a guide only and is not binding on entities. The Code should not contradict this.</p>
Section 4 — Experiences of financial hardship		
8	<p>At the minimum standard layer, the Code must include a plain-English definition of financial difficulty drafted from the customer’s perspective, covering both actual and anticipated inability to meet obligations. The definition must expressly include circumstances arising from unemployment, illness, family breakdown, domestic and family violence, economic abuse, natural disaster and other unforeseen changes in circumstances.</p>	<p>COBA believes that commitments made in the Code should tackle specific and clearly defined issues. We are open to exploring the option of a definition of financial difficulty that encapsulate a wide variety of circumstances. However, care would be needed to ensure this definition does not create confusion or conflict with “financial hardship”. The definition of “financial difficulty” should be aimed at a customer’s ability to meet obligations under a loan contract, and we note that it may not necessarily apply to other non-lending bank products.</p> <p>There is some uncertainty around what is meant by “anticipated inability to meet obligations” in the recommendation and what its scope would be. Code subscribers must balance compassionate responses with responsible lending and fraud prevention obligations. Shifting to an approach that requires the identification of anticipated inability may be challenging to implement, especially if the term is defined in broad terms.</p>
9	<p>At the minimum standard layer, the Code must require subscribers to proactively identify indicators of financial difficulty, including through analysis of account behaviour where appropriate, and to contact customers where there is reason to believe they may be experiencing financial difficulty. Subscribers must refer such customers to internal support without requiring them to complete a formal application in the first instance.</p>	<p>We support the objective of identifying and assisting customers in financial difficulty early. However, we would caution against prescriptive requirements for proactive monitoring at the minimum standard layer. Given differences in scale, systems and operating models, a uniform expectation to analyse account behaviour may not be proportionate or practicable for all institutions.</p> <p>COBA has concerns with a requirement to proactively contact customers under the proposed circumstances as it could lead to a significant risk of overreach by subscribers. Account activity alone may not be sufficient to provide context about a customer’s circumstances. Prescriptive obligations may risk blurring the line between providing</p>

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		<p>support and personal financial advice, which is accompanied by significant regulatory obligations.</p> <p>While being generally supportive of the “tell us once” principle we note that formal hardship processes may be necessary to create an appropriate record of the customer's circumstances and to provide an evidence trail of the assistance provided. This is essential to assist subscribers in meeting their legal and regulatory obligations. As such, in some circumstances it may not be possible to avoid more than one conversation with a customer to ensure that the appropriate records are created.</p>
10	<p>At the minimum standard layer, the Code must set defined timeframes and process protections for the handling of hardship requests, including a defined timeframe for acknowledging receipt (as soon as possible and no later than 5 business days); a defined timeframe for a substantive response (21 business days), with subscribers to improve on these timeframes where possible; a prohibition on repeated requests for information already provided where there has been no material change in the customer’s circumstances; and accommodations for disclosed or apparent vulnerabilities consistent with Australian Standard AS 22458:2025.</p>	<p>COBA supports the objective of ensuring customers experiencing hardship receive timely assistance, and we consider it appropriate that hardship assistance be subject to legal and regulatory obligations. We note that hardship is significantly regulated under the National Consumer Credit Code and any additional promises made under the Code should be aligned with and not contradict these obligations.</p> <p>COBA believes that hardship provisions in the Code should focus on consumer outcomes rather than prescriptive timeframes and process requirements. Each customer’s circumstance is unique with varying levels of complexity. As such, strict timeframes may act contrary to the stated intention by encouraging subscribers to fit a customer and their situation into a specific box to meet the time requirements. We also note from a practical perspective that changes to Code provisions that mandate additional timing requirements beyond regulatory requirements may require bespoke amendments to systems and processes. For smaller banks, this can create significant complexity and cost where changes are required, including to off the shelf technology solutions.</p>
11	<p>At the minimum standard and expectation layers: - <i>Minimum standard</i>: the Code must recognise financial difficulty as a circumstance of vulnerability attracting the subscriber’s obligation to take extra care.</p>	<p>Flexibility is an important factor to help subscribers work with the customers experiencing financial difficulty. However, the discretion must be with the bank on whether to adjust processes so that they may appropriately respond to specific cases.</p>

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	<p>- <i>Expectation</i>: where a customer experiencing financial difficulty also discloses or presents with another vulnerability, the subscriber must adjust the process expectations in its hardship process, communication and timeframes accordingly, with the depth of adjustment proportionate to the customer’s circumstances</p>	
12	<p>At the commitment and minimum standard layers, the Code must include dedicated provisions on hardship arising from domestic and family violence:</p> <p>- <i>Commitment</i>: the Code must recognise that a victim-survivor experiencing financial hardship is owed a response that prioritises safety alongside financial assistance.</p> <p>- <i>Minimum standards</i>: presumptive acceptance that a victim-survivor is experiencing hardship and has a continuing request for assistance; prohibition on repeated requests for re-submission of hardship documentation where circumstances have not materially changed; written reasons for any refusal of hardship assistance; and safe communication settings for victim-survivors. Decisions affecting victim-survivors must prioritise the safety of the affected party.</p>	<p>Addressing financial hardship that can be experienced by victim-survivors is an important issue. However, as part of responding to these customers there must be flexibility to enable customer-owned banks to respond to the individual’s circumstances. We are concerned that a prescriptive approach as currently outlined in this recommendation risks pushing customers into pre-determined outcomes rather than responding to their circumstances and needs. Overprescription could hinder the bank from working with the customer to appropriately respond to their individual circumstances. For example, a requirement that written reasons be provided in certain circumstances could increase risk to a victim-survivor if not flexibly and carefully calibrated.</p>
13	<p>At the minimum standard layer, the Code must recognise disaster hardship as a distinct category, with tailored response options including genuine payment pauses that do not accrue interest or capitalise arrears for defined periods where appropriate, a consistent approach to the handling of insurance cash settlements held by the subscriber, and suppression of adverse credit reporting for disaster-affected customers consistent with the approach taken in other vulnerability contexts.</p>	<p>Many customer-owned banks operate in regional and rural Australia and therefore have significant experience in working with their customers through natural disasters.</p> <p>COBA believes that the existing vulnerability provisions should be satisfactory in responding to natural disasters and does not necessarily require specific standalone provisions. We may be open to recognising disaster-affected customers as a specific form of vulnerability, but we would be concerned with the Code prescribing a specific list of responses by subscribers.</p> <p>Customer-owned banks need to have flexibility in how they respond to natural-disasters and should not be required to adopt a one-size fits all approach. Any response to a natural disaster must be provided in a</p>

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		manner that is prudentially and operationally appropriate for the individual bank and their customer cohort.
14	<p>At the minimum standard and expectation layers, the Code must strengthen the existing debt waiver provision at paragraph 141(d):</p> <ul style="list-style-type: none"> - <i>Minimum standard</i>: subscribers must genuinely consider a debt waiver where the customer is experiencing severe and ongoing hardship and has no reasonable prospect of repayment and must communicate the decision in writing with reasons. - <i>Expectation</i>: subscribers should presume that a waiver is appropriate where the debt has been charged off and the customer continues to experience severe hardship without a reasonable prospect of recovery. 	<p>Customer-owned banks take their responses to the financial hardship of their customer-owners very seriously. As such, the banks genuinely consider any requests for debt waivers that are made. However, any decision to waive a debt must be made in the context of its potential impacts on the broader business and the other customer-owners.</p> <p>We note that the recommendation does not differentiate between secured and unsecured debt. We are concerned that this recommendation as currently framed could create the impression that customer-owned banks should waive debt by default, which could have significant negative impacts on individual banks. This would be especially impactful if it were to apply to home mortgages which comprise a significant part of the sector’s loan book.</p>
15	<p>At the guidance layer, the Code should include examples of the types of assistance subscribers may offer, covering both circumstances where the customer’s financial position may be restored and circumstances where it cannot.</p>	<p>COBA seeks clarity on who would be the audience for this guidance. Our understanding is that the guidance is intended for subscribers, however, we are uncertain what benefit this guidance would provide to subscribers as it appears to be information that is more relevant to the customer. Additionally, we note that many customer-owned banks likely already make this information available to their customers.</p>
Section 5 — Experiences of vulnerability and safety		
16	<p>At the minimum standard layer, the Code must replace paragraph 26’s list with a contemporary definition of vulnerability. The definition must recognise vulnerability as a dynamic state that may arise from personal circumstances, life events or the interaction with banking products and services; acknowledge that bank conduct can itself amplify vulnerability; provide an illustrative non-exhaustive list of circumstances; and align with the Banking Code, the AFCA Approaches, the National Principles and Australian Standard AS 22458:2025. Code terminology should be updated from ‘elder abuse’ to ‘abuse of older people’.</p>	<p>COBA recognises that vulnerability may be situational, transient, and a dynamic state. As such, we are open to considering updating the definition of hardship noting our comments on recommendation 8 on the need to clearly differentiate “financial difficulty” from “financial hardship”.</p>
17	<p>Structured according to the layered model, the Code must include a dedicated chapter on domestic and family violence and financial abuse, comprising:</p>	<p>Customer-owned banks take financial abuse seriously and are continually refining and updating their responses to this serious problem. For example, in recent years more than half of COBA’s</p>

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	<p>- <i>Commitments</i>: adopting the National Principles' understanding of coercive control and a safety-by-design approach.</p> <p>- <i>Minimum standards</i> (binding on all subscribers): a prohibition on the use of subscribers' products to perpetrate financial abuse; an obligation to respond to warning signs; minimum requirements for joint account design; obligations in respect of coerced debt and credit reporting; and minimum training and governance requirements.</p> <p>- <i>Expectations</i>: progressive adoption of safety-by-design features in digital channels.</p> <p>Decisions affecting victim-survivors must prioritise the safety of the affected party.</p>	<p>members have changed their terms and conditions to make it clear that financial abuse is unacceptable.</p> <p>COBA is open to discussing targeted changes to the Code that would support further uplift by subscribers to address specifically defined issues. However, we caution that frontline staff at banks are not case workers and the Code should not create unreasonable obligations or burdens on these staff that place them in circumstances where they are required to go beyond their expertise.</p>
18	<p>Structured according to the layered model, the Code must include specific provisions addressing cognitive decline and abuse of older people, aligned with the AFCA Approach to Financial Abuse of Older People:</p> <p>- <i>Commitments</i>: supported decision-making and customer autonomy.</p> <p>- <i>Minimum standards</i>: identifying warning signs; due diligence on powers of attorney; the obligation to speak privately with the customer where warning signs are present; and specific handling of unusual transactions.</p> <p>- <i>Expectations</i>: safe-by-default product features.</p>	<p>Customer-owned banks take the financial abuse of older people seriously and give due regard to the AFCA Approach to Financial Abuse of Older People in their operations. Many subscribers undertake monitoring activities, but we wish to highlight that there are challenges faced by banks even when suspected cases are identified.</p> <p>For example, bank staff may not have specific information or evidence that can be reported to police where suspicion is aroused. This can be made more difficult where the older person is experiencing cognitive decline and where the abuser has a valid Power of Attorney. In these circumstances, and under the current laws, options can be limited.</p> <p>Privacy barriers can also limit the actions banks can take in cases of suspected financial abuse of older Australians. For example, where the victim-survivor is not a customer, subscribers may breach the privacy laws if they alert other banks of their suspicions. COBA is supportive of Government to explore how to address this issue as it approaches its reforms to the privacy laws.</p> <p>COBA is open to exploring targeted improvements to the Code to respond to this issue.</p>

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19	<p>Structured according to the layered model, the Code must explicitly recognise customers who are incarcerated, recently released from incarceration, or whose immediate family members are incarcerated:</p> <ul style="list-style-type: none"> - <i>Commitment</i>: maintaining banking access for incarcerated customers. - <i>Minimum standards</i>: adoption of the AUSTRAC alternative identification framework or equivalent risk-adjusted approach within each subscriber’s AML/CTF program; maintenance of the banking relationship through incarceration subject to lawful constraints; hardship arrangements that reflect the reality of incarcerated customers’ circumstances; and a prohibition on automatic account closure triggered solely by incarceration. 	<p>COBA supports fair and appropriate treatment of customers who are incarcerated. However, the proposed commitments may be difficult to operationalise in practice, as subscribers are often unaware that a customer has been incarcerated and may have limited ability to engage with them.</p> <p>Account closures generally occur due to account inactivity rather than as a pro-active action taken against incarcerated customers. The account closure will generally occur after subscribers have sought to contact the customer using their last known contact details. Given the reliance on interactions with state and territory correctional services, COBA considers that care should be taken to ensure any obligations are capable of being consistently implemented by subscribers.</p>
20	<p>The Code should expressly permit subscribers to decline to apply a vulnerability or hardship provision where there is a reasonable basis to suspect misuse by a person other than the customer, with appropriate safeguards. (Outside the layered model — defined exception.)</p>	<p>Conceptually this provision makes sense to prevent the weaponisation or misuse of the vulnerability provisions by a perpetrator (or person other than the customer), but further engagement with AFCA would be required to understand how it would approach these cases if they escalated to EDR</p> <p>COBA believes that it also would be appropriate for this to be applied to a customer directly where the provisions are being misused. Unfortunately, there are some unscrupulous customers who may misuse these provisions for personal gain.</p>
Section 6 — First Nations perspectives on banking		
21	<p>Structured according to the layered model, the Code must include a standalone section on banking services for First Nations customers, developed through co-design with First Nations people. COBA and subscribers must engage First Nations representatives as co-authors of this section, with shared authority over its content. The section must comprise:</p> <ul style="list-style-type: none"> - Commitments to First Nations customers, expressing the sector’s recognition of the structural barriers First Nations customers face and its commitment to culturally safe banking. 	<p>COBA recognises the importance of supporting improved outcomes for Indigenous Australians and agrees that customer-owned banks should be mindful of the distinct challenges that some First Nations customers may face. As part of supporting subscriber Reconciliation Action Plans, COBA considers that an acknowledgement of Indigenous Australians within the Code’s key promises may be appropriate, consistent with the approach outlined in Recommendation 3.</p>

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	<ul style="list-style-type: none"> - Minimum standards applying to all subscribers. - Expectations that apply to subscribers with a significant First Nations customer base. - Supporting guidance for implementation, developed in consultation with First Nations stakeholders. 	<p>While COBA supports the intent of this recommendation, we have concerns about the inclusion of a standalone, cohort-specific section of the Code. In particular, such an approach risks creating an unintended presumption that all Indigenous Australians are experiencing financial hardship or vulnerability, which does not reflect the diversity of circumstances within First Nations communities.</p> <p>A dedicated section also risks duplication with existing Code obligations that already require subscribers to act fairly, identify vulnerability, and provide appropriate support based on individual circumstances. Introducing obligations that apply only to a single customer cohort may reduce coherence within the Code and create complexity in application without clear additional benefit for customers. For these reasons, COBA would be open to considering more targeted acknowledgements, where appropriate, within relevant parts of the Code, rather than standalone provisions that apply exclusively to one customer group. This approach would better support proportionality, consistency, and clarity, while reinforcing the Code’s focus on individual customer circumstances.</p>
22	<p>At the minimum standard layer, the Code must require subscribers to accept alternative forms of customer identification and verification consistent with AUSTRAC’s guidance, applied on a risk-adjusted basis in accordance with each subscriber’s AML/CTF program. Subscribers must document their alternative identification procedures within their AML/CTF programs and ensure staff are trained to apply them. The provision must apply across all circumstances in which customers face structural, situational or temporary barriers to standard identification.</p>	<p>COBA notes that subscribers are already required to consider and apply as appropriate AUSTRAC’s guidance on Identifying individuals who don’t have standard ID. This includes the use of alternative identification procedures on a risk-adjusted basis through their AML/CTF programs.</p> <p>It is unclear what additional customer benefit would be achieved through a standalone Code provision. COBA considers this issue may be more appropriately addressed through a broader obligation for subscribers to have regard to relevant regulatory guidance where issued, rather than creating duplicative Code requirements that cite specific guidance instruments. See discussion under recommendation 7.</p>

<p>23</p>	<p>At the minimum standard layer, the Code must require subscribers to provide cultural awareness and cultural safety training to all staff who regularly engage with First Nations customers. Training must be co-developed with First Nations expertise, trauma-informed and subject to regular review.</p>	<p>Unless a customer self identifies as an Indigenous Australian it is very difficult for a bank to determine which staff regularly engage with this customer cohort. Many customer-owned banks do not collect this information, resulting in challenges identifying which staff would require training.</p> <p>We further note that customer-owned banks are diverse, and some subscribers have a high proportion of Indigenous customers. For these banks, such training may be appropriate, while for others with a much smaller Indigenous customer base, the training would likely be of lesser value. This suggests that a one-size-fits-all approach that is narrowly targeted to a single specific customer cohort may not be appropriate.</p> <p>As such, it may be appropriate to consider an alternative option where subscribers should undertake cultural awareness training that is tailored to their individual customer base. This would provide flexibility in providing cultural awareness training that is appropriate to their customer cohorts. This may be Indigenous Australians or potentially other ethnic groups that have significant representation in the bank's customer base.</p>
<p>24</p>	<p>At the minimum standard layer, the Code must require subscribers to provide access to interpreters, including interpreters qualified in relevant First Nations languages, at no cost to the customer, where the customer is making or receiving a banking communication of material importance. The current qualifier 'where reasonably practicable' must be removed. Subscribers must have protocols in place to manage confidentiality risks where professional interpreters are drawn from the customer's family, kinship or community networks.</p>	<p>COBA understands that third party translator services may be expanding to provide Indigenous language services. If these are available at a reasonable commercially viable rate, then this may be a reasonable measure.</p> <p>However, we note that given the significant number of languages and dialects, many of which are spoken by small and dispersed groups, we expect that there is a risk that in some cases interpreters may be known to the customer. Due to the lack of alternative interpreters we believe it could be very challenging to manage the confidentiality risks that would arise.</p>

		<p>Considering the practical and cost considerations we do not believe that removing the 'reasonably practicable' qualifier would be appropriate if this recommendation were to be adopted.</p>
25	<p>At the minimum standard layer, the Code must require subscribers to establish accessible pathways for financial counsellors and community workers supporting First Nations customers. This must include timely verification and acceptance of letters of authority, priority access for recognised community workers during outreach periods and reduced documentation requirements where appropriate and lawful.</p>	<p>COBA supports the objective of improving accessibility for customers who may be experiencing vulnerability and recognises that some First Nations customers may require additional support, as discussed in relation to recommendation 21.</p> <p>However, we have concerns about mandating dedicated or specialised access pathways at the minimum standard layer that apply only to a specific customer cohort. Given the diversity in scale, systems and customer bases across customer-owned banks, some subscribers may not be able to practically establish bespoke pathways that differ from those available to other vulnerable customers.</p> <p>We consider it more appropriate for the Code to reinforce the use of existing support channels for vulnerable customers, which are already designed to accommodate third-party representatives, reduce barriers where lawful, and provide timely assistance based on individual circumstances. This approach would support consistency, proportionality and operational feasibility, while still delivering the intended protections for customers in need.</p>
26	<p>At the minimum standard and expectation layers:</p> <ul style="list-style-type: none"> - <i>Minimum standard</i>: where a subscriber offers a low-fee or no-fee transaction account, the Code must require the subscriber to identify eligible low-income customers — including First Nations customers in receipt of government concession payments — using available transaction data and provide support to help them transfer to those accounts. - <i>Expectation</i>: where a subscriber does not offer such an account, the Code must require it to assess the design and distribution of its transaction products against the demographics of its customer base, in a manner consistent with the subscriber's Design and Distribution Obligations under the <i>Corporations Act 2001</i> (Cth). 	<p>COBA supports improving access to appropriate banking products for customers who may benefit from them. However, there are challenges with proactive identification and monitoring unless customers self-identify to their bank.</p> <p>There is a fine line between providing general assistance and personal financial advice if specific banking products are to be recommended as the 'best fit' for Indigenous customers. Further, proactive identification or targeted steering to specific banking products could risk being perceived as discriminatory behaviour or constitute racial profiling of customers.</p>

		<p>On the proposed minimum standard, COBA is not supportive of a measure that forces the migration of customers to specific products. This removes the agency of the individual customer to make decisions that are appropriate to their specific circumstances. We would also be concerned that a commitment to force migration to low fee accounts could disincentivise banks from offering these products.</p> <p>COBA also notes that the proposed expectation appears to be a restatement of the obligations under DDO. We do not believe it is necessarily to include these in the Code.</p>
27	<p>At the commitment and minimum standard layers:</p> <ul style="list-style-type: none"> - <i>Commitment</i>: subscribers will enable voluntary self-identification by First Nations customers, consistent with the principle of free, prior and informed consent. - <i>Minimum standards</i>: subscribers must explain the purpose for which identification information will be used and protect such information in accordance with privacy law; subscribers must not make self-identification a precondition for accessing any banking service. 	<p>COBA supports the principle that any collection of information from customers should be voluntary, transparent and grounded in a clear service purpose. However, COBA does not support a mandatory requirement for all subscribers to implement mechanisms for First Nations self-identification at the Code’s minimum standard layer.</p> <p>For many customer-owned banks, capturing and managing this information would require material changes to systems and processes, which would only be justified where self-identification would result in a meaningful and tangible difference to service delivery for customers. Absent that link, there is a risk that information is collected without a clear operational purpose.</p> <p>As noted previously, COBA supports strong vulnerability protections in the Code, based on an approach that recognises vulnerability can arise from a range of attributes and circumstances. In this context, COBA has concerns that formal ‘flagging’ of Indigenous customers may create an unintended presumption of vulnerability or financial hardship, which does not reflect the diversity of circumstances within First Nations communities.</p> <p>Finally, we note that some COBA members deliberately limit the collection of personal or demographic information, including characteristics such as sex or gender, to ensure all customers receive</p>

		a consistently high standard of service, irrespective of personal attributes.
Section 7 — Small business banking experiences		
28	At the minimum standard layer, the Code must strengthen its provisions on farming customers, including alignment with clauses 128 and 129 of the Banking Code on the charging of default interest in declared drought and natural disaster events, and Code-level commitments on farm debt mediation engagement.	COBA recognises the challenges that can be faced by farming businesses, especially during droughts and other natural disasters. We welcome continued discussion on this issue.
29	At the minimum standard layer, the Code must adopt a small business definition aligned with the Banking Code: annual turnover of less than \$10 million, fewer than 100 full-time equivalent employees and total debt to all credit providers of less than \$5 million.	COBA supports efforts to streamline the Code. Aligning the small business definition with the Banking Code of Practice may be an appropriate change and we are open to considering this proposal further.
30	At the minimum standard layer, the Code must include a duty of care in small business lending. Subscribers must exercise the care and skill of a diligent and prudent banker when considering a small business loan application or an increase to an existing facility.	COBA is supportive of a continuing duty to exercise the care and skill of a diligent and prudent banker, similar to paragraph 76 of the existing Code. We are open to considering further changes to the Code that help improve clarity.
31	At the minimum standard layer, the Code must clarify the small business lending and enforcement provisions to address the technical issues identified by the COBCCC and the MFAA, including the basis for assessment of repayment ability, the requirement for default notices to specify grounds, the circumstances in which loans may be enforced, the purpose of valuations, the exceptional nature of shortened or no notice periods, the definition of 'material impact' and the treatment of non-monetary defaults.	COBA supports amendments which would improve transparency and predictability for customers. We are open to discussing these issues further.
32	At the minimum standard layer, the Code must amend its co-borrower and guarantor provisions to address business-related financial abuse risk. Specifically: paragraph 99 must be removed so that co-borrower protections in paragraphs 95–98 apply to small business loans; paragraph 121 must be amended to remove the broad director carve-out, with subscribers required to assess the genuine consent and benefit of a director-guarantor; and paragraph 120(a) must be amended so that the asset-exhaustion protection in paragraph 119 continues to apply to individual guarantors of small business borrowers.	COBA is open to considering this change.
33	At the minimum standard layer, the Code must recognise business-related financial abuse as a category of vulnerability in its own right, with	COBA recognises that financial abuse can occur in small and family businesses environments.

	<p>an enforceable response consistent with the vulnerability provisions in Section 5 of this report.</p>	<p>We are open to considering integrating business-related financial abuse into the Code section on vulnerability. However, we note that it can be challenging for bank staff to distinguish coercive control/abuse from commercial disagreement. This recommendation may benefit from recognising this challenge by committing subscribers to taking reasonable steps to prevent the abuse, similar to other financial abuse provisions in the Code.</p>
<p>Section 8 — Digital banking, technology and service continuity</p>		
34	<p>Structured according to the layered model, the Code must include provisions on artificial intelligence (AI) and automated decision-making:</p> <ul style="list-style-type: none"> - <i>Commitment</i>: subscribers will be clear and accountable in their use of AI and automated decision-making, ensuring customers are not disadvantaged by the technology. - <i>Minimum standards</i> (binding on all subscribers): material decisions affecting a customer must be made or reviewed by a human; subscribers must tell customers when AI has been used in a decision that materially affects them; and subscribers must provide a clear pathway to human review. - <i>Expectations</i>: enhanced protections must apply for customers experiencing vulnerability. 	<p>COBA acknowledges that AI and other technology usage may be an issue worth eventual inclusion in the Code. However, as AI and the regulatory responses to this technology are still in their infancy COBA is reluctant to get too far ahead of regulators on this issue.</p> <p>This issue is made more challenging for the customer-owned banking sector due to its reliance on third party technology providers. For example, our members may not have visibility on these providers usage of AI, which would potentially be required to be disclosed under this proposal. However, we acknowledge that there may be a valuable opportunity for consumer education about how banks are using technology in general, rather than AI specifically. This could include education on the differences between AI and automated decision-making, which can be easily confused.</p>
35	<p>At the commitment and minimum standard layers:</p> <p><i>Commitment</i>: subscribers will support continued banking access for the communities they serve, including in regional and remote Australia.</p> <p>- <i>Minimum standards</i>: the Code must include a public branch closure protocol, monitored by the COBCCC, including advance notice, customer impact assessment, consultation with affected communities and identified alternative service arrangements. The substance and form of the protocol should draw on the ABA Branch Closure Support Protocol, adapted for the customer-owned banking sector.</p>	<p>COBA is open to discussing a branch closure protocol that formalises best practice for communicating decisions on branches with customers and notice period. However, it is important to recognise that decisions on opening or closing branches is a matter for the individual bank and must be made on commercial grounds.</p> <p>We further note that many of COBA's members headquartered in regional Australia have remained in those communities long after shareholder-owned banks have left, and this commitment should not result in additional unnecessary compliance activity.</p>
36	<p>At the minimum standard layer, the Code must require subscribers to risk-assess their Bank@Post arrangements in small communities and in communities where privacy, confidentiality or cultural safety</p>	<p>COBA recognises that the Bank@Post arrangement is an important service in many communities. However, there would be challenges in the ability of customer-owned banks to meet this proposal. The</p>

	<p>considerations are material — including communities with a significant First Nations customer base — and to provide alternative confidential channels where Bank@Post is not suitable. This recommendation does not apply to subscribers operating exclusively as digital-only banks.</p>	<p>requirement to conduct individualised risk assessments across the entire Bank@Post network would not be a feasible exercise for individual institutions. It is also likely that alternative channels may not be available or would be impractical to implement. As such, COBA does not support this recommendation.</p>
37	<p>At the minimum standard layer, the Code must include service continuity standards covering both transitions and outages:</p> <ul style="list-style-type: none"> - <i>Minimum standards for system transitions and mergers:</i> advance notice; clear instructions on changes to authentication and access pathways; alternative access channels; protection of customer information (including vulnerability flags) during data migrations; and accessible post-migration support. - <i>Minimum standards for outages:</i> communication to affected customers; alternative access arrangements for essential banking functions; and escalation pathways for customers in vulnerable situations. 	<p>COBA recognises the importance of this issue and the frustration that customers experience when there are service disruptions due to technology issues. However, many customer-owned banks partner with third party technology providers for core systems, which means that these providers, and not the bank, manage outages and influence technology related decisions. Banks seek to give as much notice on these issues to their customers as they are able. However, there may be limitations in their capacity to control the timing as they are themselves reliant on receiving notice from the service provider.</p>
38	<p>At the commitment and minimum standard layers:</p> <ul style="list-style-type: none"> - <i>Commitment:</i> subscribers will support customers affected by scams and de-banking decisions with clarity, written reasons and a fair pathway to review. - <i>Minimum standards:</i> the Code’s de-banking provisions must include specific commitments on communication, written reasons and review where a de-banking decision follows suspected scam activity. The Code must also address the customer-experience aspects of scams that fall outside the Scams Prevention Framework, including trauma-informed response, third-party representation and continued access to hardship and vulnerability provisions. 	<p>COBA suggests that the reviewer decouple the scams and de-banking issues to minimise the risk of these issues being conflated. We agree that these are both important issues, but we think it is more appropriate if these are clearly and separately addressed.</p> <p>On scams, our members already support customers adversely affected by scams. This can be seen through their commitment to the Scam Safe Accord and our constructive approach to the Government developing the Scam Prevention Framework (SPF). Until the SPF is finalised and implemented, we do not think it is appropriate for changes to be made to the Code to minimise the risk of creating conflicting or contradictory obligations.</p> <p>On de-banking, COBA notes that by the time a de-banking has occurred, our members will often have engaged in significant communications with the customer. De-banking is always taken as a last resort approach and is done so in accordance with the law. Customers who are unhappy with the outcome being able to seek resolution through the complaints process. We further note that our members at times can be limited in what they can communicate</p>

		regarding de-banking decisions due to the need to comply with the tipping off provisions under AML/CTF or other criminal laws.
Section 9 — Flexibility, proportionality and consistency		
39	At the commitment layer, the Code should reflect the distinctive character of customer-owned banking through its proposed Commitment 1 ('We exist for our customers and communities'), with detailed obligations across the priority areas in subsequent sections of the Code giving it practical effect.	COBA supports the Code reinforcing the identity of the sector. However, we believe the Code should take a balanced approach in which there is enough flexibility for the diverse subscriber base to implement its provisions. In addition, we believe that an updated Code needs to be carefully approached so that its commitments can be adapted to support each individual institution's point of difference.
40	<p>Across all four layers, proportionality should be applied to the method of compliance, not to the substantive standards customers can expect. The layered model of obligations enables this: minimum standards apply uniformly across all subscribers; expectations describe higher standards above the legal minimum and are applied with proportionality to the size and circumstances of the subscriber; and guidance supports consistent implementation across institutions of different sizes.</p> <p>At the guidance layer, COBA should develop the supporting guidance materials envisaged by the layered model in consultation with subscribers of different sizes and with relevant external stakeholders, including the COBCCC, AFCA and consumer representatives. Subscribers and COBA should agree the priorities for guidance development and the timeframe for delivery, and guidance should be reviewed periodically and updated to reflect regulatory developments between formal Code reviews.</p>	COBA, as flagged in our response to recommendation 2, does not support the four-tier model. However, we support a proportional and flexible approach to Code provisions to reflect the uniqueness of each institution and their customer cohort.
Section 10 — Governance, monitoring and assurance		
42	COBA must ensure the COBCCC is resourced to deliver the full range of functions set out in its Charter and Priority Monitoring Framework, including the capacity to conduct own-motion investigations, thematic reviews, proactive monitoring and the testing (rather than solely receiving) of subscriber compliance reports.	<p>COBA agrees that a well-functioning COBCCC is important to preserve the integrity and reputation of the industry code. COBA recognises that an adequately funded and resourced COBCCC is important and considers that the sector has provided adequate funding to the COBCCC over its existence, which has included significant funding increases each year for the past six years.</p> <p>COBA understands that comparisons may be made between the funding of the COBCCC and other Code Compliance Committees, but</p>

		we do not think these are like-for-like comparisons. COBCOP subscribers are relatively small financial institutions with streamlined business models compared to the very large and complex financial institutions covered by other Codes.
43	The Charter must be updated to amend clause 24 to provide for greater timeframe and process certainty on the budgeting cycle. COBA should give serious consideration to the feasibility of a multiple-year budget cycle, to provide a more secure basis for resourcing adequacy and forward planning through the COBCCC.	COBA welcomes dialogue on resourcing through the budget process with the COBCCC. COBA is open to considering process changes as part of the budget cycle to improve transparency and certainty. We note that the COBCCC has started preparing multi-year estimates to assist COBA with forward planning, which we believe is a welcome improvement to the process.
44	On Committee composition, the COBCCC Charter must be amended at clause 3(a) so that the Industry Member is not a current employee of a subscriber. The Industry Member must hold relevant experience of the customer-owned banking sector — for example, as a former employee of a customer-owned bank or in a comparable role with sector-specific expertise — but must not, at the time of appointment or during the term of office, be an employee of a subscriber. The maximum tenure provision is amended to permit up to three consecutive terms (nine years total), aligning the COBCCC with the BCCC; Committee member terms are staggered so that no more than one position rotates each year; and selection processes prioritise technical expertise, integrity and independence.	<p>COBA does not oppose the restriction on an Industry Representative being a current employee of a Code subscriber. However, we do not support a change that prevents the Industry Representative from being able to continue contributing to the sector, including through contract work. Such a restriction would inhibit our ability to attract high performing and suitably qualified individuals for this role. Any real or perceived conflicts of interest that could be created from such engagements should be managed by the Representative and the Independent Chair.</p> <p>COBA supports staggering the appointment date of all three members of the Committee. We are open to allowing the Committee members serving three terms of three years for a total of nine years.</p>
45	The AFCA Code secretariat arrangement should continue. The COBCCC Charter must be amended to anchor the Committee's work to the values the customer-owned banking sector commits to in the Code, while preserving the Committee's independence from COBA, subscribers and the secretariat.	COBA welcomes continued dialogue on opportunities for further improvements to transparency in relation to how the Code Compliance unit interacts with and operates as a part of AFCA. With these developments, COBA has no concerns with the arrangement continuing.
46	The breach reporting framework must be stabilised, with reporting templates held constant across multi-year periods and material changes subject to prior consultation with COBA and subscribers. Reporting must be aligned with ASIC's reportable situations regime where appropriate, and materiality thresholds adopted for minor matters that do not warrant individual reporting. The COBCCC must publish guidance on what	<p>Code breach reporting is an essential part of the COBCCC's function, and COBA acknowledges the efforts made by the COBCCC to educate subscribers on Code breach reporting to improve subscriber reporting.</p> <p>COBA supports streamlining to ensure:</p> <ul style="list-style-type: none"> - alignment with ASIC's reportable situations regime

	constitutes a breach and how subscribers should quantify scale and severity and retains final authority on reporting settings.	<ul style="list-style-type: none"> - subscribers understand how to quantify the scale and severity of breaches for reporting - the removal of any duplication, and - further standardisation in breach reporting provisions and practices across industry Codes of Practice.
47	The Committee's role in reporting and monitoring complaints data drawn from subscribers' internal dispute resolution systems should continue.	<p>COBA disagrees with this recommendation as the COBCCC's collection of complaints data is duplicative of the ASIC process. To our knowledge, the COBCCC is the only industry code compliance committee that collects this data, which creates an undue burden on the sector compared to other industries.</p> <p>We do not agree that the collection of complaints data is an essential part of the COBCCC's function or that is necessary for it to carry out its function. The reporting of Code breaches by subscribers is, in our view, sufficient to inform the Committee in identifying areas of interest deserving further investigation. There is also capacity for the COBCCC to collect complaints data on subscribers directly from ASIC, if it believes there is value in reviewing this data.</p> <p>We note that following the report of the Council of Financial Regulators review into small and medium banks in 2025, banking regulators have agreed to review their data collection requirements and to identify opportunities for streamlining and removing duplication. This is an important recognition from regulators that COBA has welcomed. In the same spirit as that review, COBA believes that duplicative reporting must be removed.</p>
48	COBA should not seek ASIC approval of the Code at the conclusion of this review. ASIC approval should be placed on the formal agenda of the next independent Code review, to be assessed against defined readiness criteria.	COBA will carefully consider this recommendation.
49	Charter clause 41 (variation of the Charter) should be amended to define 'material' alteration and to require structured stakeholder consultation, including consultation with the COBCCC, subscribers and AFCA before any material amendment is agreed.	COBA is open to discussing changes to the Charter variation process.

Section 11 — Deceased estates		
50	<p>Structured according to the layered model, the Code must include a dedicated section on deceased estates:</p> <ul style="list-style-type: none"> - <i>Commitment</i>: subscribers will deal sensitively with customers’ families when a customer dies, treating estate representatives promptly, respectfully and sensitively. - <i>Minimum standards</i> (set out in Recommendations 51 and 52). <i>Expectations</i> (set out in Recommendation 53). 	<p>COBA welcomes changes to the Code that can help improve outcomes and customer experience regarding deceased estates. There has been significant uplift by customer-owned banks regarding deceased estates in recent years and COBA believes that the Code can have a role in recognising this uplift.</p>
51	<p>At the minimum standard layer, on notification of a customer’s death, a subscriber must acknowledge receipt of the notification promptly; cease charging ongoing fees and interest to the relevant accounts that are not legally or contractually required to continue; cease sending correspondence addressed to the deceased once the relevant accounts are confirmed and the bank’s records updated; provide estate representatives with clear written information about the bank’s processes for administering a deceased estate, including the documentation required and the likely timeframes; identify a point of contact for the estate representative for the duration of the administration process; and deal with estate representatives promptly, respectfully and sensitively.</p>	<p>COBA notes that many of these measures across recommendations 51, 52 and 53 may have already been adopted by customer-owned banks, or in the case of the ongoing charging of fees and interest, are prohibited by law. COBA is open to considering the incorporation of some of these measures into the Code.</p>
52	<p>At the minimum standard layer, a subscriber must take reasonable steps to ensure that its deceased estate processes are publicly accessible, including through its website, and that staff who interact with estate representatives are appropriately trained to do so with sensitivity and efficiency.</p>	
53	<p>At the expectation layer, a subscriber should take reasonable steps to reduce duplication and administrative burden for estate representatives, including by accepting verified documentation provided by authorised professional representatives where this is practicable and consistent with the bank’s AML/CTF obligations; supporting electronic notification and communication channels for estate administration where this meets the bank’s security requirements; and applying documentation requirements that are proportionate to the complexity and value of the estate.</p>	

Section 12 — Additional issues raised through the review		
54	Amend paragraph 88 of the Code to distinguish continuing credit facilities from small business loans, retaining the three months' notice period for cancellation of a continuing credit facility and adding an obligation on subscribers to provide written reasons to the customer for the cancellation.	COBA is open to discussing this change further; however, we note that cancellation decisions may involve sensitivities. As such, it may not always be appropriate for subscribers to provide detailed explanations in all circumstances.
55	Paragraph 90 must be amended to make clear that the National Consumer Credit Protection Act 2009 (Cth) applies to the allocation of payments on a credit card account, and to align the paragraph with the legislative framework.	COBA will carefully consider this recommendation.
56	Paragraph 151 must be amended to remove the reference to the Code of Operation: Recovery of Debts, which expired in October 2024, and to set out directly in the Code any debt-recovery commitments the sector intends to maintain.	COBA supports removing the reference to Services Australia's expired Code of Operations and will consider the remainder of the recommendation.
	Clarifying the Code to be clear that it only applies to retail customers and not wholesale customers.	<p>The Interim Report does not address the need for the Code to clearly define its scope, specifically that it applies to retail customers rather than wholesale customers. COBA raised this issue in its submission to the Consultation Paper.</p> <p>Clarifying scope is important to ensure the Code is directed to the customers it is intended to serve. In COBA's view, retail customers derive the primary benefit from the commitments set out in the Code, while those obligations are of limited relevance or value in wholesale customer relationships.</p> <p>For clarity, COBA considers that wholesale customers should be explicitly excluded from the application of the Code, and that the Code should apply only to retail customers. This approach would be consistent with the scope of the Banking Code of Practice.</p>