

**Eva Scheerlinck**

Scheerlinck Consulting

Independent Reviewer, Customer Owned Banking Code of Practice

10 April 2026

By email to: [code@coba.asn.au](mailto:code@coba.asn.au)**INDEPENDENT REVIEW 2025-26 CUSTOMER OWNED BANKING CODE OF PRACTICE  
(CONSULTATION)**

Dear Ms Scheerlinck,

The Mortgage & Finance Association of Australia (**MFAA**) welcomes the opportunity to make submission to this consultation relating to the Customer Owned Banking Code of Practice (**Code**).

The MFAA is Australia's peak body for the mortgage and finance broking industry, representing over 16,000 members. The MFAA's membership includes mortgage and finance brokers, aggregators, lenders (including Code subscribers), mortgage managers, mortgage insurers and other suppliers to the mortgage and finance broking industry.

Brokers play a critical role in intermediated lending, providing access to credit and promoting choice in both consumer and business finance. Over time, consumers have increasingly sought the services of a mortgage and finance broker with the latest MFAA quarterly market share showing mortgage brokers facilitated 76.7% of all new residential home loans<sup>1</sup> and approximately four out of ten small business loans<sup>2</sup> in Australia.

**OUR SUBMISSION**

Of the MFAA's membership, 97% comprise of small broking businesses and it is equally important that our submission focuses on how to best support the mutual customers of both our bank and broker members.

As background to this submission, it is important to note the MFAA has participated in recent code-related consultations, including that by ASIC (in 2024) on the proposed changes to the Australian Banking Association (**ABA**) Banking Code of Practice (**BCOP**), and on its review of Regulatory Guide 183 *Codes of Conduct for the financial services and credit sectors* in 2025.<sup>3</sup>

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<sup>1</sup> MFAA media release, *Mortgage brokers continue to support over three quarters of home loan borrowers in Australia*, 3 March 2026, [www.mfaa.com.au/news/mortgage-brokers-continue-to-support-over-three-quarters-of-home-loan-borrowers-in-australia](http://www.mfaa.com.au/news/mortgage-brokers-continue-to-support-over-three-quarters-of-home-loan-borrowers-in-australia).

<sup>2</sup> Productivity Commission, *Small business access to finance: The evolving lending market Research paper*, September 2021, <https://www.pc.gov.au/research/completed/business-finance/business-finance.pdf>, pg 44.

<sup>3</sup> MFAA submission to ASIC Banking Code Consultation, 15 January 2024, and to consultation on Draft updated RG 183, 1 September 2025, [www.mfaa.com.au/policy-and-advocacy/submissions](http://www.mfaa.com.au/policy-and-advocacy/submissions).

The MFAA recognises that the Code and BCOP serve different sectors of the industry and we believe they should remain distinct to reflect their respective business models and customer relationships.

That said, what is common are the consumers they seek to support. Mortgage and finance brokers play a critical role in helping lenders reach and support those consumers,<sup>4</sup> and from this perspective, we see a clear opportunity for targeted, practical enhancements to the Code for the benefit of the mutual customers of customer-owned banks and brokers. In particular, we see an opportunity for the Code to adopt a more holistic, ecosystem-based approach that reflects how consumers access and navigate lending today. This includes recognising the role of intermediaries, supporting competitive and efficient market dynamics, ensuring consistent customer outcomes across different access channels, and strengthening coordinated safeguards to protect consumers in an increasingly digital environment.

### **RECOMMENDATION 1: RECOGNISE CONSUMERS VIEW BROKERS AS TRUSTED ADVISERS**

In many cases, brokers are the first point of contact for borrowers navigating the home lending system.<sup>5</sup> Brokers have a legal obligation to act in the best interests of the customer<sup>6</sup> and, in doing so, seek to understand a customer's needs and objectives before making product recommendations. This supports more informed decision-making and aligns with consumer expectations of having access to independent guidance when considering their options. Recognising this role within the Code would support greater consumer awareness of the range of trusted advisers available to them when making major financial decisions.

To that end, we recommend including an explicit opportunity for bank customers to be referred to a mortgage and finance broker, where relevant. We suggest an update to paragraph 8 of the Code as follows:

- "If you ask us for advice about any of our banking services, we will provide advice through staff who are trained to provide that advice, or we will suggest that you obtain advice from a lawyer, accountant, financial adviser, *mortgage and finance broker*, or financial counsellor."

### **RECOMMENDATION 2: MAKE IT EASIER FOR CONSUMERS TO REFINANCE OR SWITCH THEIR HOME LOAN**

For the benefit of the mutual customers of both brokers and customer-owned banks, we believe there is opportunity for the Code to better support efficient switching between home loan providers. Mortgage brokers frequently assist borrowers seeking to refinance, particularly during periods of interest rate change or financial pressure. Timely and transparent discharge processes are important for supporting competition in the home lending market and enabling consumers to move to products that better meet their needs. To that end, we suggest the Code include commitments that support:

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<sup>4</sup> Deloitte, *The Value of Mortgage and Finance Broking Report*, February 2025, [www.mfaa.com.au/policy-and-advocacy/research](http://www.mfaa.com.au/policy-and-advocacy/research), chapter 4.

<sup>5</sup> According to the MFAA's recent Market Sentiment Survey: 97% of broker have first home buyer clients, 96% have returning clients, and 94% have clients using a broker for the first time to refinance. MFAA Market Sentiment Survey results, February 2026, <https://www.mfaa.com.au/policy-and-advocacy/research>.

<sup>6</sup> The best interests duty for mortgage brokers was legislated by the Financial Sector Reform (Hayne Royal Commission Response - Protecting Consumers (2019 Measures) Act 2020. See also ASIC Regulatory Guide 273: Best interests guide.

- encouraging customers with variable rate home loans<sup>7</sup> to consider whether alternative products may better suit their needs, whether within the incumbent bank or with another provider, and
- more timely and transparent discharge processes where a customer chooses to switch providers, including enabling brokers to act on behalf of customers, supporting clear and consistent processes, and reducing unnecessary delays.<sup>8</sup>

While we recognise that these matters were considered as part of the Government's response to the ACCC Home Loan Price Inquiry Report,<sup>9</sup> there is an opportunity for the Code to support these outcomes in a principles-based way, in the interests of competition and consumer choice.

### **RECOMMENDATION 3: ENSURE EQUITABLE CONSUMER ACCESS TO BANKING PRODUCTS**

It is important for reasons of consumer protection and preserving market integrity and competition that principles of fairness and non-discrimination are enshrined, ensuring consistent customer outcomes irrespective of the channel through which a customer accesses a banking product. To give effect to this, the Code should make clear that customers are not disadvantaged based on how they choose to access a banking product. In practice, this means ensuring that equivalent products are made available on consistent terms and conditions across all distribution channels, including where customers engage through a mortgage or finance broker. This would support fair and consistent customer outcomes, while reinforcing confidence in the integrity of the lending process.

### **RECOMMENDATION 4: STRENGTHEN CYBERSECURITY, PRIVACY AND SCAM AWARENESS**

Brokers and lenders share a mutual interest in protecting customers from scams, fraud and misuse of personal information. Brokers regularly assist clients who are navigating complex financial transactions and increasingly support customers who may have encountered scam attempts in the broader digital environment.

In this context, we see an opportunity for the Code to include clearer, practical obligations that reduce the risk of data misuse and identity theft across the lending ecosystem. This could include aligning document retention requirements with statutory limits so brokers are not required to hold sensitive information for longer than necessary, limiting the duplication of customer identification data where trusted verification services have already been used, and encouraging greater adoption of secure, bank-approved identity verification solutions.

These measures would support the intent of the Government's Scams Prevention Framework by strengthening safeguards at key points where customer information is collected and shared, while avoiding unnecessary duplication or storage of sensitive data.<sup>10</sup> Importantly, a coordinated approach across lenders and intermediaries can enhance consumer protection outcomes without introducing additional friction into time-critical lending processes.

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<sup>7</sup> Australian Competition and Consumer Commission (ACCC), *Home loan price inquiry – Final report*, November 2020, <https://www.accc.gov.au/system/files/Home%20loan%20price%20inquiry%20-%20final%20report.pdf>, Recommendation 1.

<sup>8</sup> MFAA white paper, *Towards a faster, smoother home loan discharge: benefits for borrowers*, March 2024, [www.mfaa.com.au/policy-and-advocacy/research](http://www.mfaa.com.au/policy-and-advocacy/research).

<sup>9</sup> The Hon Dr Jim Chalmers MP, media release, *Australian Competition and Consumer Commission retail deposit inquiry*, 15 December 2023, <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/australian-competition-and-consumer-commission-retail>.

<sup>10</sup> The Treasury, *Scams Prevention Framework – Protecting Australians from scams*, January 2025, <https://treasury.gov.au/sites/default/files/2025-01/p2025-623966.pdf?utm>.

## CLOSING REMARKS

We provide our comprehensive response to the questions raised in the Consultation Paper is at **Attachment A**.

We hope this submission is helpful and provides useful input to the review. We would be pleased to discuss any of these matters further if that would be of assistance. If so, please contact Naveen Ahluwalia on [naveen.ahluwalia@mfaa.com.au](mailto:naveen.ahluwalia@mfaa.com.au) or Stefania Riotto on [stefania.riotto@mfaa.com.au](mailto:stefania.riotto@mfaa.com.au).

Yours sincerely,



Naveen Ahluwalia

Executive, Policy and Legal  
Mortgage and Finance Association of Australia

**ATTACHMENT A – CONSULTATION QUESTIONS**

**About the Customer Owned Banking Code of Practice**

#	Question	MFAA Response
1	Where does the Code align with or diverge from contemporary regulatory, policy and industry expectations in consumer protection, and are any divergences appropriate for the customer owned banking sector?	<p>The Code broadly aligns with contemporary consumer protection expectations, particularly in its emphasis on fairness, transparency and customer outcomes. One area to consider, in addition to the legislative and regulatory context identified in the Consultation, is in the area of product design in line with Design and Distribution Obligations.</p> <p>The Code could include a commitment that customer-owned banks take reasonable steps to ensure consistent customer outcomes across all distribution channels, including where products are accessed via mortgage and finance brokers, and that insights from these channels inform ongoing product design and review.</p>
2	How can contemporary regulatory, policy and industry expectations be adopted in the Code to reflect the size and scale of the customer-owned banks, allowing for flexible and proportionate application, without duplicating legal obligations?	<p>A principles-based approach is best suited to adopting contemporary regulatory, policy and industry expectations within the Code, as it avoids duplicating existing legal obligations while reinforcing their intended consumer outcomes. The Council of Financial Regulators in its Review into Small and Medium-sized Banks, notes that proportionality is essential for an effective regulatory framework – a view the MFAA supports.<sup>11</sup></p> <p>Frameworks such as Design and Distribution Obligations and the Scams Prevention Framework already establish detailed, prescriptive requirements in legislation; the Code can add value by focusing on outcomes such as fair treatment, appropriate product design and effective risk management. This approach also supports flexible and proportionate application across the customer-owned banking sector, allowing institutions of varying size and complexity to implement practices in a way that is appropriate to their business model while maintaining consistent standards of consumer protection.</p>

**Effectiveness of the Code**

#	Question	MFAA Response
1	How effective is the Code's promise-based structure in delivering clear, enforceable protections that shape bank behaviour?	Customer-owned banks typically serve retail customers and small businesses who value trust, personalised service and community connection, including first home buyers, regional customers and everyday borrowers. As member-owned institutions, their customers are also their owners, reinforcing expectations of fairness and acting in the customer’s best interests.

<sup>11</sup> Council of Financial Regulators, *Review into Small and Medium-sized Banks, Issues Paper*, December 2024.

		A promise-based Code is effective in this context because it translates obligations into clear, customer-facing commitments about how the bank will behave. Expressed in plain language, these “promises” are easier to understand and apply in practice, helping to shape consistent, consumer-focused behaviour while remaining flexible and proportionate to the size and model of customer-owned banks.
2	Where do principles-based provisions work well, and where would greater specificity strengthen protections and enforcement?	<p>Principles-based provisions work well where flexibility is required to respond to a diverse range of customer circumstances and institutional models. In particular, they are effective in areas such as customer service, vulnerability and financial hardship, where outcomes depend on judgement and the ability to tailor responses to individual needs. This approach is consistent with the relationship-based model of customer-owned banking and supports proportionate implementation across institutions of different sizes.</p> <p>There are, however, areas where greater specificity could strengthen protections and support more consistent outcomes in practice. This includes operational aspects such as refinancing and discharge processes, timeframes for key customer interactions, and elements of scam prevention and data handling, where clearer expectations can reduce ambiguity and improve enforceability.</p> <p>From our perspective, the Code is most effective where it combines clear, principles-based commitments with targeted, practical guidance in areas where consistency and timeliness are critical to consumer outcomes. We recognise that the appropriate balance between principles and prescription will ultimately depend on the operational realities of customer-owned banks, and further input from Code subscribers will be important in calibrating this balance.</p>

**Experiences of financial hardship**

#	Question	MFAA Response
1	How effective and credible is the current Code in delivering timely, accessible and compassionate hardship support for individuals and small business customers in practice?	<p>The Code establishes a strong principles-based foundation for supporting customers experiencing financial hardship, particularly through its focus on fair treatment, early engagement and compassionate responses. These commitments are appropriate and align with community expectations.</p> <p>From our perspective, brokers are often engaged by customers before or during periods of financial stress and can play an important role in supporting customers to engage with their lender. However, our visibility of how hardship processes operate within individual customer-owned banks is necessarily indirect.</p> <p>Based on broker experience across the broader lending market, the effectiveness of hardship support is likely to depend less on the existence of commitments in the Code, and more on how</p>

		<p>consistently they are implemented in practice. In particular, timely communication, ease of access to support, and clarity of process are critical to delivering good outcomes for customers.</p> <p>There may be value in the Code reinforcing expectations around accessibility and timeliness of hardship processes, while maintaining a principles-based approach that allows flexibility across institutions of different sizes.</p>
2	<p>What changes (if any) to the design or focus of the Code could improve hardship outcomes for customers, while remaining practical for institutions of different sizes?</p>	<p>There is an opportunity for the Code to strengthen hardship outcomes through a small number of targeted enhancements that reflect how financial stress is experienced and managed in practice.</p> <p>In particular, the Code could more explicitly recognise and support guarantors who may themselves be experiencing financial stress. While guarantors play a critical role in enabling access to credit, they can also face significant financial and emotional impacts if the primary borrower experiences hardship. The Code could include principles that prompt earlier identification of at-risk guarantors, clearer communication of their rights and obligations, and appropriate support pathways where hardship arises.</p> <p>More broadly, there is an opportunity to reinforce expectations around early engagement, accessibility of hardship support and clear, consistent communication, particularly at key points where customers may be reluctant or unsure how to seek assistance. Mortgage and finance brokers can also play a role in identifying early signs of financial stress and supporting customers to engage with their lender, and recognising this interaction within the Code could support more timely and effective outcomes.</p> <p>Framed at a principles-based level, these enhancements would improve consumer protection outcomes while remaining practical and proportionate for institutions of different sizes.</p>

### Small business banking experiences

#	Question	MFAA Response
1	<p>How well do the Code's small business provisions work in practice, and where do gaps or challenges exist?</p>	<p>The current small business provisions provide a sound baseline, particularly in relation to disclosure, contract clarity and enforcement notice periods. These elements support transparency and help small business customers better understand their obligations and risks.</p> <p>From our perspective, visibility of how these provisions operate in practice across individual customer-owned banks is limited. However, based on broader industry experience, the effectiveness of these settings is likely to depend on how clearly they are applied and understood by customers.</p>

		<p>One potential area of ambiguity is the Code’s definition of a “small business”, which does not include a turnover test or consider how a business is structured and controlled. This may create uncertainty about which customers are captured by the protections of the Code.</p> <p>There may also be an opportunity to strengthen consistency in how key provisions are applied in practice, including around communication, enforcement processes and customer support, to ensure small business customers experience clear and predictable outcomes.</p>
2	<p>What changes (if any) to the Code would better support small business customers while remaining practical for customer-owned banks of different sizes?</p>	<p>There is an opportunity to strengthen the Code through a small number of targeted enhancements that reflect how small business lending operates in practice.</p> <p>This could include greater clarity around the scope of the small business definition, clearer expectations in relation to lending assessments, improved transparency where facilities are not renewed or extended, and more consistent approaches to the use of valuations and external experts. There is also merit in further recognising the position of guarantors in small business lending, given the risks they may face where business performance deteriorates.</p> <p>These types of enhancements would support more consistent and transparent outcomes for small business customers, while remaining proportionate and practical for customer-owned banks of different sizes.</p>

**Experiences of vulnerability and safety**

#	Question	MFAA Response
1	<p>How effectively does the Code support customers experiencing vulnerability (including family violence, cognitive decline, disasters and intersecting vulnerabilities), and where do gaps or inconsistencies exist in protections or implementation?</p>	<p>The current principles-based approach works well and should be retained, particularly the broad definition of vulnerability, the commitment to take extra care, and the flexibility it provides customer-owned banks to tailor support to individual circumstances. These settings are appropriate given the relationship-based model of the sector and align with contemporary expectations.</p> <p>In practice, however, the effectiveness of these protections depends on consistent implementation. Current settings largely rely on customer disclosure and provide limited guidance on how support should be applied across different circumstances, which may result in variability in outcomes. There is also a need to ensure that these provisions are applied in a balanced way, noting concerns that, in some cases, vulnerability settings could be misused or create unintended consequences if not supported by clear and consistent guidance.</p> <p>There may be an opportunity to strengthen the Code by supporting earlier identification of vulnerability and providing clearer guidance on how support should be applied in common scenarios, such as financial hardship, family violence and situations involving joint accounts or guarantees. This would help promote more consistent and timely outcomes, while maintaining the flexibility needed to respond to individual customer needs.</p>

2	<p>What changes (if any) to the Code would strengthen commitments to and support for customers experiencing vulnerability? What aspects of the current approach work well and should be retained?</p>	<p>The current principles-based approach works well and should be retained, particularly the broad definition of vulnerability, the commitment to take extra care, and the flexibility it provides customer-owned banks to tailor their response to individual circumstances. These settings are appropriate given the diversity of customer needs and the relationship-based model of the sector.</p> <p>There is, however, an opportunity to strengthen the Code through targeted enhancements that support more consistent outcomes in practice. This could include encouraging earlier identification of vulnerability (rather than relying solely on customer disclosure), providing clearer guidance on support pathways across common scenarios such as hardship, joint accounts and guarantees, and reinforcing the importance of coordinated support across the lending ecosystem.</p> <p>Mortgage and finance brokers can play an important role in this regard, as they are often the first point of contact for customers and are well placed to identify early signs of vulnerability and support customers through complex processes. Reflecting this more clearly in the Code, for example through recognition of brokers as part of the customer support pathway and encouraging appropriate information-sharing and referral mechanisms, would help ensure more timely and consistent support for customers.</p> <p>Framed at a principles-based level, these enhancements would strengthen consumer outcomes while remaining practical and proportionate for institutions of different sizes.</p>
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**First Nations perspectives on banking and the code**

#	Question	MFAA Response
1	<p>How does the Code support inclusive, accessible, and culturally safe banking for First Nations customers?</p>	<p>The Code supports inclusive, accessible and culturally safe banking at a principles-based level, particularly through its commitments to fairness, accessibility and appropriate treatment of customers. These settings provide a foundation for customer-owned banks to respond to the diverse needs of their communities, including First Nations customers.</p> <p>From our perspective, visibility of how these commitments are implemented in practice is limited. However, the effectiveness of these provisions is likely to depend on how they are translated into day-to-day interactions, including the accessibility of communication, the availability of appropriate support channels, and the ability to respond to different cultural and community contexts.</p> <p>A principles-based approach is appropriate in this area, provided it is supported by practical implementation that promotes trust, accessibility and culturally safe engagement.</p>
2	<p>What changes (if any) to the Code would improve outcomes for First Nations customers? What considerations should inform the</p>	<p>There may be an opportunity for the Code to further strengthen outcomes for First Nations customers by reinforcing principles of accessibility, cultural safety and trust in how banking services are delivered.</p>

	<p>development of any new standards or commitments to ensure they are both meaningful and practical for institutions of different sizes?</p>	<p>From our perspective, effective approaches are likely to include ensuring that communication is clear and accessible, recognising the importance of community context, and supporting flexible engagement channels that reflect how customers prefer to access services. This may be particularly important in regional and remote settings where access to banking services can be more limited.</p> <p>In developing any new standards or commitments, it will be important that they are informed by direct engagement with First Nations communities and representative organisations, to ensure they are meaningful, culturally appropriate and responsive to lived experience.</p> <p>At the same time, a principles-based approach will support practical implementation across institutions of different sizes, allowing customer-owned banks to tailor their approach while maintaining consistent expectations around respectful, inclusive and accessible service.</p>
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**Digital banking, technology and service continuity**

#	Question	MFAA Response
1	<p>How does the Code address customer impacts of digital banking, technological change and service transitions (including mergers and system changes)?</p>	<p>The Code addresses the impacts of digital banking and technological change at a principles-based level, particularly through its focus on accessibility, clear communication and fair treatment of customers. These settings provide a flexible foundation for managing service transitions, including changes arising from system updates, mergers and evolving delivery channels.</p> <p>However, there is an opportunity for the Code to more explicitly address the customer impacts of digital transformation and service transitions in practice, particularly in the context of branch closures. While digital channels can improve efficiency and accessibility for many customers, recent announcements of branch closures, including in regional and community settings, highlight the importance of ensuring continuity of service for those who rely on in-person banking.</p> <p>This is particularly relevant for vulnerable customers, small businesses and regional communities where access to alternative services may be limited. More explicit guidance in the Code could help ensure that customers are appropriately supported through these transitions, including through early communication, clear information about alternative service options, and practical support measures where needed.</p>
2	<p>What changes (if any) to the Code would better support customer-owned banks in managing the customer impacts of digital change and service transitions? How can the Code balance supporting innovation while maintaining appropriate access, inclusion and continuity of service?</p>	<p>In this context, the Code could be strengthened by incorporating a commitment to a Branch Closure Support Protocol, or equivalent principles, that set expectations for early communication, customer impact assessments, and appropriate transition support. This would help balance the benefits of innovation with the need to maintain access and inclusion, ensuring customers are supported through service changes in a way that is practical and proportionate for customer-owned banks of different sizes.</p>

### Flexibility, proportionality and consistency

#	Question	MFAA Response
1	<p>In what ways (if any) does the Code reflect the distinctive character of customer-owned banking?</p> <p>What opportunities exist to strengthen the Code's role in demonstrating the sector's customer focused model while maintaining clear, enforceable standards?</p>	<p>The Code reflects the distinctive character of customer-owned banking through its customer-first framing, including the use of clear, plain-language "promises" and an emphasis on fairness, transparency and relationship-based service. This approach aligns well with the member-owned model, where customers are also owners, and supports accessibility and understanding for a broad customer base.</p>
2	<p>How effectively does the Code balance minimum consumer protections with proportionality for different-sized institutions? Where does flexibility support appropriate tailoring, and where does it create risk of inconsistent customer outcomes?</p>	<p>The Code appears to strike an appropriate balance between establishing minimum consumer protections and allowing flexibility for institutions of different sizes and operating models. A principles-based approach supports proportionality and enables customer-owned banks to tailor their practices in a way that reflects their member-owned structure and relationship-based service model.</p> <p>From our perspective, flexibility works well in areas such as customer service, vulnerability and hardship, where outcomes depend on judgement and the ability to respond to individual circumstances.</p> <p>However, there is a risk that flexibility can lead to inconsistent customer outcomes where expectations are not sufficiently clear, particularly in more operational or process-driven areas such as refinancing, discharge timeframes and aspects of scam prevention and data handling. In these areas, greater clarity or supporting guidance may help reduce ambiguity and promote more consistent outcomes across the sector.</p> <p>Overall, the Code is most effective where it combines principles-based commitments with targeted clarity in areas where consistency, timeliness and transparency are critical to consumer outcomes.</p>

### Governance, monitoring and assurance

#	Question	MFAA Response
1	<p>How effective are current governance, monitoring and resourcing arrangements in delivering the Code's objectives? Are breach reporting requirements generating reliable,</p>	<p>The current governance, monitoring and resourcing arrangements appear to provide a sound foundation for supporting the Code's objectives, particularly where they promote clear accountability, independent oversight and a focus on continuous improvement.</p>

	<p>consistent data that enables meaningful analysis and what improvements are needed?</p>	<p>From our perspective, visibility of how these arrangements operate in practice across individual institutions is limited. However, experience across the broader financial services sector suggests that the effectiveness of these frameworks depends on the consistency of implementation, the quality of data captured, and how insights are used to inform changes in practice.</p> <p>In relation to breach reporting, the value of these requirements lies not only in identifying individual incidents, but in enabling reliable and consistent data that can be used to identify systemic issues and emerging risks. There may be an opportunity to strengthen this through greater consistency in how breaches are classified and reported, and by enhancing the use of aggregated data to support industry-wide insights and improvements.</p> <p>Any enhancements should remain proportionate to the size and complexity of customer-owned banks, while supporting a level of transparency and consistency that builds confidence in how the Code is operating in practice.</p>
2	<p>What opportunities exist to strengthen Code governance through alignment with other code compliance models while maintaining proportionality for the customer-owned banking sector?</p>	<p>There is an opportunity to strengthen Code governance by drawing on elements of established code compliance models across the financial services sector, particularly in relation to transparency, consistency of reporting and independent oversight.</p> <p>In practice, this could include clearer and more consistent approaches to breach reporting, greater visibility of systemic issues and trends, and regular public reporting that supports accountability and continuous improvement. Independent monitoring and oversight arrangements are also important in maintaining confidence that Code obligations are being applied consistently in practice. In this context, there may be merit in reviewing the role and effectiveness of the Code Compliance Committee to ensure it continues to support these objectives.</p> <p>At the same time, it is important that any enhancements remain proportionate to the size, complexity and member-owned structure of customer-owned banks. A principles-based approach to governance, supported by practical guidance, would allow institutions to meet consistent standards while implementing arrangements in a way that is appropriate to their operating model.</p> <p>From our perspective, the objective should be to strengthen confidence in how the Code operates in practice, without introducing unnecessary complexity or duplication of existing regulatory requirements.</p>