



Submission to the Independent Review of the Customer Owned Banking Code of Practice

Prepared by estateXchange

Introduction

estateXchange welcomes the opportunity to contribute to the independent review of the Customer Owned Banking Code of Practice (the Code).

estateXchange works with professionals across the deceased estates ecosystem including lawyers and trustees who manage estates and related claims, and with asset holders and service providers of the deceased, including financial institutions (banks of all sizes, superannuation funds, share registries, insurers, and other service providers) charged with handling the closure and distribution of deceased customers' accounts.

Through this work, estateXchange has visibility across interactions between financial institutions and the professional representatives managing estates on behalf of families. This perspective provides insight into both the progress that has been made in recent years and the systemic challenges that continue to affect families, executors and financial institutions during the estate administration process.

Customer-owned banks operate in environments that differ from larger institutions, including in their scale, resourcing and technology investment capacity. This submission recognises these operational realities and the importance of proportionate approaches to improving outcomes.

estateXchange recently commissioned Deloitte Access Economics to undertake research into the experience of Australians managing deceased estates. The findings from this research provide an evidence base for this submission.

Submission request

This submission encourages the review to recognise the importance of deceased estate administration within the Code and to reinforce principles that support timely, compassionate and efficient management of deceased customers' affairs, while recognising the operational realities of customer-owned banks.

Executive Summary

Administering the financial affairs of a deceased customer is a significant and growing component of financial services activity in Australia.

Each year more than 180,000 Australians pass away, triggering the administration of estates across banks, superannuation funds and other service providers. Australia is also approaching the largest intergenerational wealth transfer in its history, with \$5.4 trillion in assets expected to be inherited by 2050.

Research conducted by Deloitte Access Economics for estateXchange highlights the scale and complexity of the current system:

- Deceased estates typically take 9–12 months to administer
- Families and executors may engage with up to 37 different asset holding and service providing organisations during the process
- 1 in 4 consumers changed banks due to their experience administering a deceased estate
- 9% of consumers experienced fraud related to a deceased estate, with a further 17% reporting attempted fraud, highlighting the vulnerability of estates during the administration process
- 2 in 5 consumers experienced fees being charged after notifying organisations of death
- Three quarters received correspondence addressed to the deceased after notification of death
- 84% reported that the administration process negatively affected their wellbeing during a period of grief
- 9 in 10 consumers believe the deceased estate administration process can be improved

The research cited above is drawn from *The State of Estates: The case for change in how we manage deceased estates in Australia*, prepared by Deloitte Access Economics for estateXchange in November 2025.

These findings demonstrate that deceased estate administration is not a peripheral issue, but a core service interaction that directly impacts customer trust, operational risk and customer retention.

For customer-owned banks, this represents both a customer outcome issue and a strategic opportunity, with poor estate administration directly linked to customer switching, reputational risk and operational inefficiency.

In respect of a death or bereavement event, the expectations of bank customers and their families are consistent, irrespective of the size of the institution or the regulatory framework under which it operates. Families expect banks to respond promptly, communicate clearly and empathetically, and minimise administrative burden during a period of grief.

Accordingly, encouraging strong practices in deceased estate administration within the Code would reinforce these expectations while recognising the operational realities of customer-owned banks.

Deceased estates administration is a significant and growing activity

Administering the financial affairs of a deceased customer is a core activity for financial institutions.

More than 180,000 Australians pass away each year, creating the need for banks and other institutions to close accounts, verify and identify executors and distribute assets. At the same time, the scale and complexity of wealth transfers is increasing significantly.

The process of administering a deceased estate is inherently complex because multiple institutions must be notified and engaged. Families, executors and professional representatives must coordinate across banks, superannuation funds, insurers, utilities and government agencies in order to close accounts; settle tax affairs and distribute assets.

As a result, financial institutions play a critical role in determining whether the administration process is efficient and supportive for families, or unnecessarily complex at a time of grief.

Context: evolving expectations in the management of deceased estates

Following the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, there was a significant shift in community expectations regarding how financial institutions support customers and their families, particularly in vulnerable situations such as bereavement.

The Royal Commission highlighted issues in how financial institutions handled deceased customers' accounts, including the continued charging of fees after death; delays in closing accounts or identifying all products held by the deceased; inconsistent approaches to dealing with executors; poor communication; and a lack of appropriate sensitivity in interactions with families.

In response, industry practices have evolved to more clearly recognise the management of deceased estates as a distinct and sensitive customer interaction requiring timely, well-communicated and respectful handling. This has been reflected in clearer expectations regarding the accessibility of processes, responsiveness following notification of death, identification of accounts, minimisation of inappropriate fees, and effective communication with authorised representatives.

These developments reflect a broader recognition that the management of deceased estates has a material impact on families, and that consistent and well-designed practices can support more appropriate outcomes during a period of grief.

Since this shift, there has been a clear uplift across the industry in how deceased estates are managed. Processes have become more structured, communication has improved, and the handling of these matters is more consistently recognised as an important customer interaction. While there remains an ongoing focus on continuous improvement, the experience of recent years demonstrates that clear expectations can drive meaningful change in how institutions deliver this service.

This provides a strong foundation for considering how similar principles may support improved outcomes within the customer-owned banking sector, consistent with its long-standing focus on member outcomes and community trust.

Evidence that systemic challenges remain

Despite improvements in recent years, evidence suggests that deceased estate administration remains an area where further progress is needed.

Consumer research indicates that a significant proportion of Australians still experience administrative difficulties when managing the affairs of a deceased person. These issues include ongoing charges being applied to accounts after notification of death; continued correspondence addressed to the deceased; processes which appear overly bureaucratic and misaligned to account value (for small balances); and delays in closing accounts.

The administrative burden associated with these processes can have a substantial impact on families during an already difficult period of grief.

These findings demonstrate that the way institutions manage deceased estates continues to have meaningful consequences for consumers.

These challenges apply across the financial sector

The operational challenges associated with deceased estate administration arise from the nature of the process itself rather than the size or ownership structure of a financial institution.

Customer-owned banks face the same core tasks when a member passes away:

- identifying accounts and financial products
- verifying executor authority
- completing AML/CTF activity
- closing accounts and transferring funds
- communicating with executors and families.

Similarly, bereaved families expect financial institutions to respond promptly, communicate clearly and minimise administrative burden.

Reinforcing these expectations within the Code would support consistent standards across the entire sector.

Technology is enabling efficient estate administration

Historically, the management of deceased estates has involved significant, and largely paper-based, manual processes, including repeated documentation requests and fragmented communication between institutions.

However, technological innovation is rapidly improving what is possible.

Digital tools are increasingly enabling:

- structured and standardised estate notification processes
- secure sharing of verified documentation
- reduced duplication of information requests
- faster processing of estate administration tasks.

For customer-owned banks, these technologies provide a pathway to improve processes without requiring significant investment in bespoke systems, enabling stronger consumer outcomes to be achieved in a way that is proportionate to their operating models.

These developments create opportunities for customer-owned banks to adopt more streamlined and consistent approaches to estate administration, supported by emerging ecosystem capabilities.

Recommended enhancements to the Code

The review provides an opportunity to reinforce strong consumer outcomes in the management of deceased estates.

These recommendations are intended to be principles-based and proportionate, recognising the operational diversity of customer-owned banks while supporting improved and more consistent customer outcomes.

These enhancements could be reflected in the Code through the inclusion of specific principles or guidance addressing the management of deceased estates.

Two targeted enhancements could support this objective.

Recommendation 1

Establish clear expectations for accessible, timely and compassionate management of deceased estates

The Code could include a clear principle reinforcing the importance of accessible, clearly communicated and easy-to-navigate processes, and supporting the timely, transparent and sensitive handling of deceased estates once a customer's death is notified.

This could include ensuring that estate processes and requirements are clearly accessible, including through online channels.

This would support greater consistency in customer and representative experiences, while allowing flexibility in how customer-owned banks implement their processes.

Recommendation 2

Encourage processes that reduce duplication and administrative burden

The Code could also encourage practices that reduce duplication and administrative burden for customers and their representatives.

Executors and professional representatives frequently need to provide the same documentation repeatedly to multiple institutions.

The Code could encourage practices that minimise unnecessary repetition of documentation and information requests, including:

- accepting verified documentation from authorised representatives
- supporting digital channels for estate notifications, and downstream communications
- improving coordination with professional representatives managing estates.

Encouraging these practices would reduce friction for customers, improve the timeliness of estate administration, and support more efficient internal processes for financial institutions.

Opportunity for leadership by the customer-owned banking sector

Customer-owned banks have a long-standing reputation for prioritising member outcomes, community trust and customer service.

It has been encouraging to see many of the COBA member banks already adopting more streamlined and technology-enabled approaches to deceased estate administration, helping to reduce administrative burden and improve customer experience.

The administration of a deceased estate is often one of the most emotionally significant interactions that a family will have with a financial institution. The quality of that interaction can have a lasting impact on how families perceive the institution.

Improving the experience of estate administration therefore represents an opportunity for customer-owned banks to further reinforce trust and strengthen long-term member relationships.

By encouraging strong standards for deceased estate management within the Code, the customer-owned banking sector can demonstrate leadership in delivering compassionate and efficient support to families during bereavement.

Conclusion

The administration of deceased estates is an essential function of the financial services system and one that occurs during one of the most difficult periods in the lives of many Australians.

Ensuring that estates are handled efficiently, compassionately and with minimal administrative burden is therefore an important consumer outcome.

There is also an opportunity to leverage emerging approaches and ecosystem capabilities to support these outcomes in a way that is efficient and proportionate for customer-owned banks.

The review of the Code presents an opportunity to reinforce these expectations in a way that is proportionate to the operating models of customer-owned banks, while ensuring that bereaved families receive consistent and high-quality support.

estateXchange would welcome the opportunity to discuss the insights in this submission or provide additional information that may assist the review.

Contact

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