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Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

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STATEMENT OF AGREED FACTS AND ADMISSIONS

FEDERAL COURT OF AUSTRALIA
DISTRICT REGISTRY: MELBOURNE
DIVISION: GENERAL

No VID of 2025

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
Plaintiff

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (ACN 005 357
522)
Defendant

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A. INTRODUCTION

1. This Statement of Agreed Facts and Admissions (**SAFA**) as to liability is made jointly by the Plaintiff (**ASIC**) and the Defendant (**ANZ**) pursuant to section 191 of the *Evidence Act 1995* (Cth), in relation to proceedings commenced by ASIC against ANZ on 15 September 2025 (**Proceedings**).
2. By the Proceedings, ASIC seeks declarations that ANZ has contravened certain provisions of the *National Consumer Credit Protection Act 2009* (Cth) (**Credit Act**) and the *Corporations Act 2001* (Cth) (**Corporations Act**) and orders that it pay pecuniary penalties to the Commonwealth, as well as other ancillary orders.

3. This document contains facts relevant to each of the contraventions alleged by ASIC and admitted by the Defendant for the purpose of the Proceedings. The facts, and the admissions made, are agreed to and made solely for the purpose of the Proceedings and do not constitute any admission outside of the Proceedings.
4. In this SAFA:
 - 4.1 **14 Day Obligation** means the terms of the Banking Code set out at paragraph 14.1 below;
 - 4.2 **ASW2** means an ANZ general purpose workflow application, used to manage workflow;
 - 4.3 **Banking Code** means the Banking Code of Practice referred to in paragraph 7.8 below;
 - 4.4 **BCoP Tag** means a tag introduced in January 2023 which allowed requests that were subject to the 14 Day Obligation to be identified within ASW2;
 - 4.5 **Bereavement Team** means the team within ANZ that was primarily responsible for its handling of requests relating to deceased estates (and which was known, between 2019 and 2023, as the Deceased Estates team);
 - 4.6 **Fee Obligation** means the terms of the Banking Code set out at paragraph 14.2 below;
 - 4.7 **SLA** means ANZ's service level agreement including timeframes for the completion of a specific task or work process.
5. Unless stated otherwise, the facts set out below relate to the period 1 July 2019 to 30 June 2023 (**Relevant Period**).

B. THE PARTIES

B.1 ASIC

6. ASIC is and was at all relevant times:

- 6.1 a body corporate under s 8(1)(a) of the *Australian Securities and Investments Commission 2001* (Cth) (**ASIC Act**);
- 6.2 entitled to commence and maintain the Proceedings in its corporate name under s 8(1)(d) of the ASIC Act;
- 6.3 entitled under ss 1101B, 1317E, 1317G(1)(a) and 1317J of the Corporations Act and ss 19, 21, 23 and 43 of the *Federal Court of Australia Act 1976* (Cth) (**Federal Court Act**) to obtain declarations, payment of pecuniary penalties and other relief arising from the contraventions by ANZ of s 912A of the Corporations Act; and
- 6.4 entitled under ss 166, 167, 182 and 187 of the Credit Act and ss 19, 21, 23 and 43 of the Federal Court Act to obtain declarations, payment of pecuniary penalties and other relief arising from the contraventions by ANZ of s 47 of the Credit Act.

B.2. ANZ

7. ANZ is and was at all relevant times:

- 7.1 a company incorporated according to law;
- 7.2 the holder of Australian Financial Services Licence (**AFSL**) numbered 234527 — which authorised ANZ, among other things, to deal in a financial product including in respect of deposit and payment products including basic deposit products, deposit products other than basic deposit products, and non-cash payment products;
- 7.3 a financial services licensee within the meaning of s 9 (since 20 October 2023) and s 761A (until 19 October 2023) of the Corporations Act;
- 7.4 carrying on a financial services business in Australia within the meaning of s 911D of the Corporations Act;

- 7.5 the holder of Australian Credit Licence (**ACL**) numbered 234527 — which authorised ANZ to (amongst other things) engage in credit activities as a credit provider;
 - 7.6 a licensee within the meaning of the Credit Act;
 - 7.7 an authorised deposit taking institution for the purposes of the *Banking Act 1959* (Cth); and
 - 7.8 a signatory to the Banking Code of Practice (**Banking Code**), being relevantly, the 2019 Banking Code and the 2020 Banking Code (as defined in paragraph 11 below).
8. ANZ provides a range of financial services and products to its individual and small business customers, including:
- 8.1 deposit accounts and certain other cash management accounts (collectively, the **Deposit Accounts**):
 - 8.1.1 each of which is a financial product within the meaning of ss 763A(1) and 764A(1)(i) of the Corporations Act; and
 - 8.1.2 dealing in which is a financial service within the meaning of s 766A of the Corporations Act; and
 - 8.2 home loans, business loans¹, personal loan accounts, overdrafts and credit card accounts (collectively, the **Loan Accounts**), the provision of which is a credit activity for the purpose of section 6 of the Credit Act.

C. THE BANKING CODE OF PRACTICE

C.1 Overview

9. The Banking Code is the Australian Banking Association's code of conduct which was first introduced in 1993 and sets out standards of practice and service for subscribing banks (including ANZ) to follow when dealing with individual and small business customers, and their guarantors.

¹ To the extent those business loans were within the meaning of s 5 of Schedule 1 of the Credit Act (National Credit Code).

10. During the Relevant Period, the Banking Code formed part of the agreements pursuant to which ANZ offered to provide Deposit Accounts and Loan Accounts to its individual and small business customers.

11. During the Relevant Period, the following versions of the Banking Code applied to ANZ as a subscriber to the Banking Code:

11.1 Banking Code of Practice 2019, commencing 1 July 2019 (**2019 Banking Code**); and

11.2 Banking Code of Practice 2020, commencing 1 March 2020 and subsequently revised (no relevant revisions) on 5 October 2021 (**2020 Banking Code**).

C.2 Relevant obligations under the Banking Code

12. Chapter 4 of the Banking Code, entitled 'Trained and competent staff', provides as follows:

Our staff and representatives will be trained and competent – including about the Code

9. *We will make sure that our staff and our representatives are trained so that they:*

a) can competently do their work; and

b) understand the Code and how to comply with it when they are providing banking services.

13. Chapter 45 of the Banking Code, entitled 'Helping with deceased estates', was first introduced in the 2019 Banking Code following the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and relates to the management of a customer's account(s) in the event of their death.

14. During the Relevant Period, Chapter 45 of the Banking Code contained clauses 190 and 191 which provide as follows (with the underlined words indicating the amendments introduced by the 2020 Banking Code):

14.1 **14 Day Obligation:**

190. Once notified of a customer's death, we will:

...

- d) *act on instructions concerning a deceased's account from a person named in a grant of probate or letters of administration within 14 days of receiving the necessary information.*

191. Prior to probate or letters of administration being granted, if we receive a request from a person authorised by a will, a person identified as a next of kin in the death certificate or other official document acceptable to us, or a person who has applied for letters of administration, and on providing a copy of the death certificate, we will, within 14 days of receiving the necessary information:

- a) *provide access to information about the deceased's account including relevant ongoing fees*

14.2 Fee Obligation:

190. Once notified of a customer's death, we will:

- a) *identify any fees that are for products and services that can no longer be provided, or will not be provided to the deceased's estate;*
- b) *stop charging those fees;*
- c) *if any fees referred to in paragraph (a) have already been charged since the customer's death – refund those fees; ...*

C.3 The Banking Code Compliance Committee

- 15. The Banking Code Compliance Committee (**BCCC**) was established in 2019 to monitor the compliance of subscribing banks with the Banking Code: clause 207 of the Banking Code.
- 16. The guidance note issued by the BCCC on 13 September 2019, entitled 'BCCC Guidance Note No. 1 Breach Identification and Reporting', provides that, among other things:

Introduction

1. This Guidance Note sets out the Banking Code Compliance Committee's (BCCC) expectations for how Code subscribing banks (banks) should identify, record and report breaches of the 2019 Banking Code of Practice (the Code).

2. Comprehensive breach data reporting is essential for banks to demonstrate accountability for their compliance with the Code. The BCCC expects banks to have methodical processes in place to ensure that breaches are identified and corrected, and to be transparent in their reporting to the BCCC.

...

Code monitoring and breach identification

9. The Code sets out banks' commitments and promises to their customers and the wider community. The BCCC expects banks to have a comprehensive and well-documented framework for monitoring compliance with the promises made in the Code.

10. The BCCC requires banks to consider all Code obligations when conducting any compliance assessments and not just those that are aligned to existing legislation or regulation.

11. Banks monitoring programs should include a broad range of methods to identify incidents that may be breaches of the Code, including for example:

- a) quality assurance reviews, such as call monitoring*
- b) system monitoring*
- c) reviews of customer complaints and feedback*
- d) performance audits, and*
- e) controls testing.*

12. Under clause 9 of the Code, banks are required to train staff to understand and comply with the Code. The BCCC expects that as a result, staff will be able to recognise situations and incidents where the Code may not have been complied with. Banks should create a positive compliance culture by encouraging staff to report any such incidents to relevant leaders and risk and compliance teams. Banks should develop simple processes to support this type of reporting.

13. Banks should have a mechanism for collating the details of all identified incidents that may include a breach of the Code.

D. 14 DAY OBLIGATION CONDUCT

D.1 Introduction

17. ANZ finalised approximately 2,220 deceased estates a month in the period 1 July 2019 to 31 May 2023. During the Relevant Period, ANZ received notifications of customers' deaths in various ways, including:

17.1 for the entirety of the Relevant Period, through:

17.1.1 ANZ's Bereavement Team within its Customer Service Operations team by way of letter, email, fax, telephone, or notification from the Australian Death Notification Service; or

17.1.2 ANZ's frontline channels, including its branch network, the Customer Contact Centre, the retail customer servicing team, Private Bank bankers, Small Business bankers, or ANZ Hardship and Financial Wellbeing Assist (formerly known as Customer Connect); and

17.2 from 2022, through its ANZ Plus coaches.

18. During the Relevant Period, ANZ typically received requests or instructions concerning deceased estates (referred to collectively in this SAFA as 'requests') in the following circumstances:

18.1 prior to a grant of probate or letters of administration, when a person named in a deceased customer's certified death certificate or named in a will or other official document(s) acceptable to ANZ, requested that ANZ provide access to information about the deceased's accounts (**Request for account information**), which requests attracted the obligation in clause 191 of the Banking Code; and

18.2 after a grant of probate or letters of administration, when a person that was the subject of the grant provided instructions relating to an estate, such as to:

18.2.1 permit an allowable payment to be made from the deceased's account (e.g. to cover funeral expenses) (**Request for allowable payment**);

18.2.2 provide account statements; or

18.2.3 disburse funds as part of finalising the deceased's estate (**Request for disbursement of funds**),

which requests attracted the obligation in clause 190(d) of the Banking Code.

19. These types of requests, whether made in respect of Deposit Accounts and/or Loan Accounts, were requests which triggered the 14 Day Obligation.

D.2 Overview of Bereavement Team processes

D.2.1 Overview and initial steps

20. Throughout the Relevant Period:

- 20.1 when ANZ was notified of a customer's death other than through the Bereavement Team, ANZ's processes required that the notification be referred to the Bereavement Team for handling;
- 20.2 the management of deceased estates, including the creation of cases following notifications and responding to requests of the kind referred to in paragraph 18 above, was primarily undertaken by the Bereavement Team; and
- 20.3 the Bereavement Team used ASW2, which was ANZ's general purpose workflow application, to manage workflows associated with notifications and requests relating to deceased estates.

21. At the time of the introduction of Chapter 45 of the Banking Code on 1 July 2019, ANZ managed some aspects of handling deceased estates using a Bereavement Team based in Bengaluru, India. From about June 2021, those functions were transferred to the Bereavement Team in Melbourne.

22. The Bereavement Team's workflow in ASW2 was structured in 'workbaskets' that were aligned to the steps in ANZ's processes (referred to in paragraphs 25 to 27 below) for managing notifications and requests relating to a deceased estate. The Bereavement Team managed actions arising from those notifications and requests by using the various workbaskets set up in ASW2. The items in each workbasket were actioned by designated Bereavement Team members trained in the particular processes required for that workbasket. Workflow was manually allocated by Bereavement Team Team Leaders and Senior Officers based on:

- 22.1 the volume of items in the workbasket queues; and
- 22.2 how long those items had been in the workbasket queues by reference to the SLA that applied to that workbasket (see further below at D.2.5).

23. Prior to January 2023, the Bereavement Team's systems and workflow did not enable or require team members to identify or record whether any particular notification or request was subject to the 14 Day Obligation.
24. A description of the process followed by the Bereavement Team in relation to some of the kinds of requests identified in paragraph 18 above follows.

D.2.2 Request for account information

25. Where a certified death certificate or will was provided to ANZ, the case would be assigned to the 'New Case' workbasket for a '**First Letter**' to be issued. The First Letter was a standard form document that set out information about the deceased customer's account(s).

D.2.3 Request for allowable payment

26. Where there was a Request for allowable payment, that request would be assigned to the 'Payments' workbasket for a 'payment file' to be prepared. Once the file was prepared, the request would then be assigned to the 'QC' workbasket for the payment file to be checked and released, following which the approved, allowable payment would be made by ANZ.

D.2.4 Request for disbursement of funds

27. Where there was a Request for disbursement of funds from the deceased customer's account(s), once all required documentation had been provided, the following process was typically followed by ANZ:
 - 27.1 First, the case would be assigned to the 'Approvals' workbasket. For estates over \$80,000, the case would then be assigned to the 'Manager Approvals' workbasket.
 - 27.2 Second, the case would be assigned to the 'Closures' workbasket for fee refunds to be identified and the requested disbursement of funds prepared.
 - 27.3 Third, the case would be assigned to the 'QC' workbasket for the disbursement details to be checked. For estates above \$80,000, an additional layer of approval was required via the Manager Approval workbasket. Further, for estates above \$1m, additional approvals within the Manager Approval workbasket were required.

27.4 Lastly, the account(s) were closed and the funds were disbursed.

D.2.5 Service Level Agreements

28. Each workbasket had a specific SLA which set the timeframe within which the relevant action was to be completed (measured against the date on which the particular case was assigned to the workbasket).

29. For the purposes of workflow management, during the Relevant Period, the Bereavement Team monitored adherence to SLAs manually, including through regular email summaries. However, an internal audit undertaken by ANZ in September 2022 (addressed further below) found that, in relation to the regular email summaries:

it is unclear as to what follow up action has been undertaken for items on the reports [i.e. the regular email summaries] and how it is ensured that required action had been taken within 14 days of receiving the necessary information or to identify those cases that have exceeded this time frame for follow-up.

30. Before January 2023:

30.1 the SLAs were not designed to track (or capable of tracking) compliance with the 14 Day Obligation;

30.2 the regular email summaries did not enable the identification or reporting of cases where there had been any non-compliance with the 14 Day Obligation;

30.3 ANZ was not able to identify or record requests that triggered the 14 Day Obligation, or any non-compliance with the 14 Day Obligation, other than through manual review of individual cases and their progress through each of the individual workbaskets (which manual review was not undertaken by ANZ during the Relevant Period); and

30.4 ANZ did not have a control to monitor and report on requests which triggered the 14 Day Obligation, or its compliance with the 14 Day Obligation.

D.3 Policies and procedures relevant to the 14 Day Obligation until 28 December 2022

31. ANZ's policies and procedures that applied to the Bereavement Team (and other ANZ staff) when responding to deceased customer notifications were set out in 'KnowHow guides' and other documents.
32. From the introduction of Chapter 45 of the Banking Code until December 2022, ANZ did not make any changes to its policies or procedures to specifically address the 14 Day Obligation.
33. ANZ's policy and procedure documents relevantly included the following 'KnowHow guides' (which policies were introduced from time to time during the Relevant Period and before 28 December 2022):
 - 33.1 from 26 May 2020, Customer Connect - Providing Account Information to Next of Kin Prior to Grant of Probate or Letters of Administration (**Providing Account Information KnowHow Guide**);
 - 33.2 from 4 August 2020, the 'Deceased Estates' guide;
 - 33.3 various End User Manuals (**EUMs**) updated from time to time, including EUMs entitled 'Direct Entry Processing Procedure'; 'Estates Processing Manual Closures Procedure'; 'Approval for Estates Procedure'; and 'Requirements to Approve Case (Estate Approval)';
 - 33.4 from 25 June 2021, the 'DE - Death and Executorship Established' guide;
 - 33.5 from 26 April 2022, the 'Deceased Estates Checklist' used by ANZ's Australian Branch Network when communicating with the Bereavement Team to guide branch staff to carry out checks and complete tasks before forwarding requests or information to the Bereavement Team;
 - 33.6 from 27 October 2022, the 'Customer Connect - Quality Check (Direct Entry)' guide; and
 - 33.7 from 22 November 2022, the 'Customer Connect - New Case Macro',(collectively, **ANZ's Deceased Estate Procedures**).

34. The Providing Account Information KnowHow Guide referred to at paragraph 33.1 above, which applied from 26 May 2020:
- 34.1 referred to ANZ's obligation under clause 191 of the Banking Code;
 - 34.2 identified the circumstances in which a person was able, under the Banking Code, to make requests of ANZ in relation to a deceased estate prior to a grant of probate or letters of administration (i.e. requests under clause 191 of the Banking Code);
 - 34.3 set out 'things to check' when determining whether ANZ was required to respond to such requests; and
 - 34.4 identified the types of information that could be provided by ANZ if the bank was so required.
35. But, that document otherwise provided no guidance or instruction to the Bereavement Team or other employees of ANZ as to how they were to respond to such requests in a way that would ensure that ANZ complied with the 14 Day Obligation.
36. Until 28 December 2022, with the limited exception of the Providing Account Information KnowHow Guide referred to at paragraph 33.1 above, ANZ's Deceased Estate Procedures did not:
- 36.1 refer to the 14 Day Obligation; or
 - 36.2 contain instructions, guidance, policies or procedures on, or relating to, the 14 Day Obligation.

D.4 Bereavement Team training

D.4.1 Banking Code Mandatory Learning

37. During the Relevant Period, all ANZ staff were required to undertake mandatory learning modules relevant to their role. The modules were delivered via ANZ's online training platform:
- 37.1 From August 2019, the Bereavement Team and branch staff, relevantly, were required to complete a mandatory learning module, designed by the

Australian Banking Association, which related to the Banking Code
(**Banking Code Mandatory Learning**).

37.2 From August 2019 until December 2019, the Banking Code Mandatory Learning did not include any content referable to Chapter 45 of the Banking Code.

37.3 In January 2020, the Banking Code Mandatory Learning was updated to include content referable to parts of Chapter 45 of the Banking Code (including the Fee Obligation), but not the 14 Day Obligation.

38. The Banking Code Mandatory Learning was not updated by ANZ to include content that addressed the 14 Day Obligation until 28 September 2023.

D.4.2 Other training

39. In February 2020, the Bereavement Team received training relating to the “next of kin” amendment to clause 191 of the Banking Code (see underlined amendment set out at paragraph 14.1 above). Other than by including, under the heading “Process Changes”, the words “[p]rovide information within 14 days of receipt of copy of death certificate to the requester” and a list of the information that ANZ could so provide, the training did not address the 14 Day Obligation.

40. Between 1 July 2019 and January 2023, with the limited exception of the training referred to at paragraph 39 above, members of the Bereavement Team did not receive any training on the 14 Day Obligation.

41. In February, March and May 2023, ANZ implemented further training for the Bereavement Team as referred to at paragraphs 70 to 72 below.

D.5 Quality control (QC) and quality assurance (QA) processes

42. During the Relevant Period, ANZ monitored complaints and events raised on ANZ’s risk management system (the **COR System**) for the purpose of reporting compliance with Chapter 45 of the Banking Code in BCCC compliance statements. From the July to December 2021 reporting period onwards, the reporting process included recording compliance at a clause level in addition to a Chapter level.

43. Prior to June 2023, this was however not an effective control in respect of the 14 Day Obligation, because ANZ did not have in place a system or control to identify

individual breaches of the 14 Day Obligation. In particular, prior to the introduction of the Daily Banking Code Report in June 2023 (referred to at paragraph 73 below), ANZ did not otherwise have in place any other quality control checks to identify, record or report breaches of the 14 Day Obligation.

44. Throughout the Relevant Period, ANZ had no quality assurance process in place to assess whether the Bereavement Team's processes were an effective control for managing the risk of ANZ not complying with the 14 Day Obligation.

45. From June 2023, the Bereavement Team and the Customer Service Operations - Quality Team (**CSO Quality Team**) incorporated compliance with Chapter 45 of the Banking Code into the QA testing (see paragraph 113 below).

D.6 ANZ's awareness of inadequacies with systems, controls and processes in relation to the 14 Day Obligation

D.6.1 October 2019 Customer Service Operations review

46. In October 2019, ANZ's Customer Service Operations team undertook a review of deceased estate practices at ANZ (**2019 Review**), following a rise in complaints relating to those practices which had been observed by ANZ. The 2019 Review was predominantly focused on estate representative experience, and involved a review of complaints to identify common themes. The 2019 Review identified, among other things, recurring themes in complaints made to ANZ, and feedback from ANZ employees, about its deceased estate practices. These complaints included protracted resolution times.

47. The 2019 Review found:

47.1 an inconsistent use of deadline SLAs, and in relation to those SLAs:

- (a) there was no reporting on compliance with those SLAs;
- (b) actions behind the Bereavement Team's workflow in ASW2 were not visible; and
- (c) the Bereavement Team's 'Monitoring' queue (being the workbasket containing pending cases in respect of which ANZ was waiting for further information or instructions from the estate)

included cases that had not been worked on since August 2018;
and

47.2 there was a lack of:

- (a) visibility and alignment between the processes of the Melbourne Bereavement Team, the Bengaluru Bereavement Team and other relevant ANZ teams; and
- (b) training or effective communication on process changes.

48. The 2019 Review did not refer to the 14 Day Obligation, or otherwise consider the adequacy of ANZ's systems, controls or processes for compliance with the 14 Day Obligation.

49. In December 2019, ANZ prepared a document entitled 'Deceased Estates Cycle Time Review' to address the findings of the 2019 Review. Recommendations made in that document included that ANZ:

49.1 redefine SLAs and ensure deadline SLAs are being met;

49.2 centralise quality checks on the end-to-end deceased estates process to ensure visibility and analysis of any issues identified with that process;

49.3 build and implement reporting to ensure that actions behind the Bereavement Team's workflow were visible;

49.4 uplift the knowledge and training of staff who support executors of deceased estates, including by undertaking a 'training material build'; and

49.5 build and implement a fit-for-purpose training program inclusive of soft skills training, objection handling and difficult conversations.

50. By March 2020, ANZ was yet to complete implementation of the recommendations at subparagraphs 49.1 to 49.3 and was yet to begin implementing the recommendations set out at subparagraphs 49.4 and 49.5. Much of this work was ultimately incorporated into the Bereavement Program, which was established following the September 2022 internal audit (referred to at paragraph 58 below) in order to implement the audit actions and to deliver on enhancements to the Bereavement Team's processes.

D.6.2 BCCC inquiry

51. On 12 October 2021, the BCCC informed ANZ that it intended to conduct an inquiry into banks' (including ANZ's) compliance with the obligations under Chapter 45 of the Banking Code, including the Fee Obligation and the 14 Day Obligation.

D.6.3 Identification of backlog in deceased estate handling

52. In May 2020, ANZ made a decision to transition the deceased estate processes, which were then being handled in Bengaluru, back to Melbourne. This process commenced in May 2020 but was paused as a result of COVID-19 before being recommenced in March 2021 and completed in July 2021. Between March and July 2021, staff in Bengaluru resigned from ANZ or took on new roles within ANZ and, as a consequence, the Bereavement Team in Melbourne faced resourcing and skill set constraints. This led to a significant backlog of deceased estate cases.
53. On 16 December 2021, an event was raised in ANZ's COR System concerning delayed processing of deceased estate cases as a result of delays experienced in re-onshoring the Bengaluru Bereavement Team in mid-2021. This event was raised following a meeting held on 14 December 2021 at which it was determined that there was a large volume of deceased estates in backlog and that this was a systemic issue. The event identifies that ANZ's systems did not allow it to report compliance on the 14 Day Obligation, and that the backlog cases would need to be reviewed manually in order to determine whether the 14 Day Obligation had been breached. Consideration was given to reviewing a sample of 100 cases in order to ascertain whether there had been any breaches of the 14 Day Obligation. This sample review was ultimately not undertaken and instead the Bereavement Team focused resources on taking the steps identified in paragraph 55 below. The delays, once confirmed in early 2022, were subsequently reported in BCCC compliance statement reporting for that period as referred to in paragraph 54.2 below.
54. In February 2022, ANZ identified that:
- 54.1 in early February 2022, a review of a sample of 2,500 deceased estate cases revealed that approximately 70% of the cases (1,750 cases) were older than 14 days and that the oldest case in that sample was from 12 September 2021. At that time, it was identified that 70% of the total new case volume was approximately 4,300 cases. Though this analysis did not

involve any assessment of whether those cases involved unactioned requests that actually triggered or breached the 14 Day Obligation, there was likely a significant proportion in breach of that obligation; and

- 54.2 by 21 February 2022, there were 7,329 cases in the New Case workbasket, which included requests which may not have been actioned in accordance with the 14 Day Obligation as well as requests where the 14 Day Obligation may not have been triggered (**2022 Backlog**). ANZ deemed the total New Case workbasket population a potential 14 Day Obligation breach and reported this in its BCCC compliance statement for the reporting period January to June 2022.
- 55. ANZ did not retain a record of the cases comprising the 2022 Backlog.
- 56. Following confirmation of the 2022 Backlog:
 - 56.1 The Bereavement Team prioritised resolving those cases. However, it did not undertake any analysis of any of the 2022 Backlog cases to assess whether:
 - 56.1.1 any of them involved requests that actually triggered the 14 Day Obligation; or
 - 56.1.2 ANZ had failed to comply with the 14 Day Obligation in respect of any particular request.
 - 56.2 The Bereavement Team began to manually track new requests, with the aim that new requests would be actioned within 14 days. However, ANZ did not put in place any process at this time to identify requests that were subject to the 14 Day Obligation.
 - 56.3 ANZ could not and did not prioritise those requests that had triggered, or were in breach of, the 14 Day Obligation, as ANZ's systems and processes at the time did not identify whether particular requests were in fact subject to the 14 Day Obligation.
- 57. The 2022 Backlog was addressed by ANZ by 25 July 2022.

D.6.4 Internal Audit in September 2022

58. In September 2022, ANZ conducted an internal audit of the Bereavement Team's processes in which it identified that the 14 Day Obligation "*may not have been met in some instances*". The internal audit was undertaken by ANZ in response to a request from the BCCC that it do so. From a sample of 51 files, ANZ identified 28 exceptions impacting 20 estates (39%) where the 14 Day Obligation was not met.
59. The internal audit report found that, while the 2022 Backlog had been cleared by July 2022, there was no control, including exception reporting or quality checking, to ensure that ANZ had complied with the 14 Day Obligation.
60. Additionally, the ANZ internal audit team identified in its issue register a number of root causes of the instances where the Bereavement Team may not have met the 14 Day Obligation, including that:
 - 60.1 procedure documents were considered to be out of date due to lack of periodic review, and did not include relevant "hand-off points" between relevant teams; and
 - 60.2 there was a lack of or inadequate controls/checks in place to ensure compliance with the Banking Code requirements in a timely or complete manner.
61. The ANZ internal audit team identified various actions to be taken (which actions were all completed on or before 29 February 2024) including:
 - 61.1 a review of the wider population over the time period starting 1 July 2019 to identify any other cases where timelines were not met;
 - 61.2 share the exceptions identified in the internal audit to the Bereavement Team for awareness and learning and provide training to the Bereavement Team as appropriate;
 - 61.3 strengthen daily reporting mechanisms within the Bereavement Team to ensure this becomes an effective control;
 - 61.4 ensure training/remedial action is taken by other relevant ANZ teams where it was identified that the 14 Day Obligation had not been met due to the delay in sending the information to the Bereavement Team; and

- 61.5 ensure relevant procedural documentation, including the referral process for investment lending products, was updated and communicated to staff.
- 62. In relation to quality assurance, quality control checks and peer review, the ANZ internal audit team found that:
 - 62.1 the design and coverage of the activities undertaken through the quality assurance, quality checks and peer review required significant strengthening to ensure assessment against ANZ internal policies/procedures and the Banking Code was undertaken, demonstrable and verifiable;
 - 62.2 a 'compliance guide' document used by the central quality team within Customer Service Operations did not include any reference to Chapter 45 of the Banking Code;
 - 62.3 the quality assurance methodology used from April 2021 to assess the Bereavement Team process did not cover off on applicable requirements under Chapter 45 of the Banking Code; and
 - 62.4 there was a risk that non-compliance with the Banking Code requirements or internal procedures were not being identified.

D.7 Steps taken in 2022 and 2023 to address non-compliance with the 14 Day Obligation

D.7.1 Initial steps; BCoP KnowHow Guide

- 63. By November 2022, the Bereavement Team had commenced designing a manual method of tracking compliance with clause 190(d) of the Banking Code (being one of the two subclauses that constitute the 14 Day Obligation).
- 64. From 28 December 2022, ANZ's instructions for the processes performed by the Bereavement Team and other relevant staff members relevant to the 14 Day Obligation were also contained in the KnowHow guide entitled 'CC - Banking Code of Practice (BCOP)' (**BCoP KnowHow Guide**).
- 65. The BCOP KnowHow Guide:
 - 65.1 set out Chapter 45 of the Banking Code;

- 65.2 stated that “14 day BCOP [Banking Code of Practice] obligations commence from time of notification or when documents are received by ANZ (irrespective of the department that receives them)”; and
- 65.3 outlined that all staff must complete the Mandatory Learning course “Understanding Banking Code of Practice” (being the Banking Code Mandatory Learning, referred to at paragraph 37 above) through an online training platform known as ‘Edge’.

D.7.2 BCoP Tag

66. In January 2023, ANZ added a new functionality in ASW2 which enabled cases to be identified or tagged with a ‘**BCoP Tag**’ where a request was received in relation to that case which triggered the 14 Day Obligation. The purpose of the BCoP Tag was to enable manual filtering of cases within the workflow queues, allowing for prioritisation of requests subject to the 14 Day Obligation.
67. The application of the BCoP Tag depended upon a request which triggered the 14 Day Obligation being correctly identified by the Bereavement Team (based on the guidance provided in the BCoP KnowHow Guide). Once such a request was identified, a Bereavement Team Senior Officer or Team Leader applied the BCoP Tag to the case.²
68. The BCoP Tag was in use from January 2023. In February and March 2023, Bereavement Team members were given training on how to identify requests that triggered the 14 Day Obligation as part of the New Program (see further Section D.7.3 below). The New Program included training on the BCoP Tag.
69. Further, Team Leaders and Senior Officers were proficient in the use of ASW2, having the requisite skills to be able to apply a BCoP Tag, which action was consistent with other standard workflow control measures employed within ASW2.

² ASW2 permissions were such that only Team Leaders and Senior Officers had the ability to apply a BCoP tag.

D.7.3 Bereavement Team training

70. In early 2023, the Bereavement Team's training was re-designed (**New Program**):
- 70.1 The New Program included a module that addressed Chapter 45 of the Banking Code, including the 14 Day Obligation (**Banking Code Module**). The Banking Code Module provided an overview of the 14 Day Obligation, as well as how this obligation could be followed in practice, through example scenarios.
 - 70.2 The New Program was delivered to a cohort of new Bereavement Team members at induction from late February 2023 and the Banking Code Module was delivered to existing team members on 16 and 20 March 2023.
 - 70.3 The Banking Code Module of the New Program has been modified over time when required and is completed by all new team members at their induction.
71. On 23 May 2023, the Bereavement Team delivered a 'Huddle' to reinforce the New Program training and provide additional scenarios. The Huddle addressed, among other things, the 14 Day Obligation (**May 2023 Huddle**). Huddles are training sessions facilitated by a Team Leader, which are used to deliver guidance and insights to staff about a range of topics. The Bereavement Team retains records of completion of the Banking Code Module of the New Program and the May 2023 Huddle.
72. From 28 September 2023, the Banking Code Mandatory Learning was updated to include content that addressed the 14 Day Obligation. The enhanced Banking Code Mandatory Learning module was completed by new staff from that time onwards, and existing staff completed the updated module as part of their annual training.

D.7.4 Daily Banking Code Report

73. In June 2023, ANZ introduced a '**Daily Banking Code Report**' which identified requests in respect of which ANZ was potentially at risk of breaching the 14 Day Obligation. This assisted the Bereavement Team to prioritise requests when manually assigning work.

74. In September 2023, ANZ's assurance team conducted a review of the Daily Banking Code Report and assessed that the Daily Banking Code Report was an effective control for managing risk of non-compliance with the Banking Code, including the 14 Day Obligation.

D.8 Inadequacy of systems, controls and processes in respect of 14 Day Obligation until June 2023

75. During the Relevant Period, ANZ did not have in place any, or any adequate, systems, controls or processes to respond to notifications or requests relating to deceased estates in compliance with the 14 Day Obligation.

76. In particular, from 1 July 2019:

- 76.1 until 28 December 2022, ANZ had no documented guidance for ANZ's Bereavement Team regarding the 14 Day Obligation: see paragraphs 32 to 36 and 64 to 65 above;
- 76.2 until at least January 2023, ANZ had no systems or processes to identify requests subject to the 14 Day Obligation: see paragraph 30 above;
- 76.3 until March 2023, ANZ had no training on the 14 Day Obligation for ANZ's Bereavement Team: see paragraphs 37 to 41 and 70 to 72 above; and
- 76.4 until June 2023, ANZ had no systems or processes to monitor requests to which the 14 Day Obligation applied and report breaches of the obligation (in BCCC compliance statement reporting): see paragraph 43 above.

D.9 Scale of contravention in relation to the 14 Day Obligation

77. ANZ finalised approximately 2,220 deceased estates a month in the period 1 July 2019 to 31 May 2023.
78. By reason of the conduct outlined in subparagraphs 76.2 and 76.4, ANZ is unable to quantify the precise number of instances where the 14 Day Obligation was not complied with between September 2019 and June 2023. However, such non-compliance is likely to have been significant.
79. As referred to in paragraph 58 above, in September 2022, ANZ's internal audit team audited a sample of 51 cases for the period 1 July 2019 to 30 June 2021, which

identified there were 28 exceptions relating to 20 estates (39%) where there was non-compliance with the 14 Day Obligation.

80. For the January to June 2022 reporting period, ANZ reported to the BCCC that it had potentially breached the 14 Day Obligation in relation to 7,329 cases because of delays in processing instructions or providing access on deceased estates accounts. As referred to in paragraph 55 above, ANZ did not retain a record of the 7,329 cases that comprised the 2022 Backlog.
81. For the January to June 2023 reporting period, ANZ reported to the BCCC that it had breached the 14 Day Obligation in relation to 469 estates because of delays in processing instructions or providing access on deceased estates accounts.
82. In the period May to September 2023, ANZ performed daily exception reporting via the Daily Banking Code Report which indicated that there were approximately 95 to 220 breaches, or potential breaches, of the 14 Day Obligation per month. This indicates substantial non-compliance in that period. The exception reporting may have contained false positives resulting from: (i) ANZ staff incorrectly applying a BCoP Tag to a request that the 14 Day Obligation did not in fact apply to; or (ii) ANZ staff failing to remove the BCoP Tag once a request had been actioned. The proportion of any such false positives is not known.
83. For the July to December 2023 reporting period, ANZ reported to the BCCC that it had breached the 14 Day Obligation in relation to 753 estates because of delays in processing instructions or providing access on deceased estates accounts.
84. Given ongoing improvements to ANZ's systems since December 2022 and the effects of the 2022 Backlog, it is likely that non-compliance with the 14 Day Obligation was at least as significant before mid-2023.
85. On 24 May 2024, ANZ lodged a reportable situation with ASIC under s 912DAA of the Corporations Act and s 50B of the Credit Act advising of a potential breach of s 912A(1)(a) of the Corporations Act and s 47(1)(a) of the Credit Act, in light of deficiencies in its systems, controls and processes for handling deceased estates (**Breach Report**).
86. In June 2024, ANZ completed an estate remediation program including with respect to potential breaches of the 14 Day Obligation. As part of this remediation program, due to the failures with its systems, ANZ has been unable to identify which estates

have been affected by breaches of the 14 Day Obligation. In particular, prior to the introduction of the functionality of the BCoP Tag in January 2023, requests which were subject to the 14 Day Obligation were not able to be identified as such within ASW2.

87. As part of the remediation program:

87.1 ANZ paid 1,421 estates a total of \$667,880.49 (including \$69,321.52 to represent time value of money (**TVM**)) in connection with interest charges on commercial loans, commercial overdrafts and home loans, on the basis that delays may have contributed to additional interest charges. ANZ has assumed that, wherever a relevant account went into arrears or exceeded its credit limit after ANZ was notified of the customer's death, a delay by ANZ in providing information or acting on instructions from an estate representative may have contributed to that occurrence. However, ANZ did not limit its remediation to only those cases where ANZ's workflow data indicated there may have been a delay.

87.2 ANZ identified an additional 10,507 estates where no financial loss was identified but the total time to resolve the case exceeded 90 days. The 90 day time period was used as a proxy measure for identifying potential breaches of the 14 Day Obligation where compliance with the obligation was not specifically monitored by ANZ.

87.3 ANZ sent letters of apology to 9,137 of the estates identified in subparagraph 87.2. ANZ was not able to identify contact information for 1,370 estates.

88. In circumstances where ANZ did not have any systems, controls and processes in place before December 2022 (as referred to in paragraphs 75 and 76 above), it is likely that a significant proportion of the estates that received a remediation payment or an apology letter from ANZ were affected by delays in resolving the estate (and for many of those, involved non-compliance with the 14 Day Obligation).

E. FEE OBLIGATION CONDUCT

E.1 Introduction

89. ANZ receives notifications of the death of customers. Since July 2019, these notifications have triggered the Fee Obligation.
90. During the Relevant Period, on being notified of a customer's death, ANZ was required pursuant to the Fee Obligation to identify, stop charging, and refund (to the extent they had been charged since the customer's death) certain fees (**Impermissible Fees**), which included the following categories of fees on credit cards:

- 90.1 additional cardholder fees, being fees charged by ANZ for issuing a credit card to someone other than the (deceased) primary cardholder; and
- 90.2 reward program service fees, being fees which cover the costs associated with managing the relevant rewards program and providing benefits to cardholders, which service fees are in addition to the regular periodic fees for the card,

in circumstances where the primary credit cardholder was deceased and the estate would not ordinarily have received a benefit from these services.

E.2 Overview of systems and processes in relation to the Fee Obligation

91. In addition to the systems and processes referred to at paragraphs 42 to 45 above, ANZ also had in place the following systems and processes relevant to the bank's adherence to the Fee Obligation.

E.2.1 Policies and procedures

92. Upon the introduction of Chapter 45 of the Banking Code on 1 July 2019, ANZ did not make any changes to its policies or procedures to specifically identify and document which fees were the subject of the Fee Obligation.
93. However, during the Relevant Period, ANZ's approach was generally to waive or refund all fees and interest on certain products charged following the death of the customer, exceeding the requirements of the Fee Obligation.

94. During the Relevant Period, ANZ's policies and procedures relevant to the Fee Obligation in respect of credit cards, were primarily contained in the following KnowHow Guides:
- 94.1 From December 2017, the 'EUM - Placing Restraints on Accounts Procedure', which included instructions for placing a 'D Block' on credit cards. The D Block had the effect, once applied, of preventing future fee charges (see further paragraphs 101 to 103 below).
 - 94.2 From December 2018, the 'Fee Waiver/Reversal Process' (**Fee Process Guide**), which was the primary guidance used by the Bereavement Team for the refund or reversal of fees. On 31 May 2023, the Fee Process Guide was enhanced, relevantly, to instruct Bereavement Team members that:
 - 94.2.1 a fee waiver must be placed at time of notification when a date of death is provided;
 - 94.2.2 fees waivers are placed for deposit, personal loan and credit card accounts; and
 - 94.2.3 in relation to charges on deposit and credit card accounts post the customer's date of death, if any fees and charges have been charged on a deposit or credit card account post the customer's passing, they are reversed prior to the account being closed, or the debt being collected on in terms of the credit card.
 - 94.3 From 25 June 2021, the 'CC - DE - Reverse Fees and Interest on Credit Cards', which provided instructions on how to process fee refunds on credit cards (including for refunding Impermissible Fees).
 - 94.4 From 27 October 2022, the 'CC - Quality Check (Direct Entry)' (**Quality Check KnowHow**), which included a requirement, as part of the Maker-Checker QC (described at paragraph 107 below), that *"all fees and charges must be reversed prior to any closures or payments made"*.
 - 94.5 From November 2022, the 'New Case Macro', which required (at Step 9) that staff check that fee waivers had been applied, and fee reversals for credit cards had been itemised.

- 94.6 From June 2023, the 'Closures Checklist', which required the Bereavement Team to confirm that *"all fees been reversed and are there clear notes on ASW in relation to fee reversals?"*. At this time, the 'EUM – Estates Processing Manual Closures Procedure' and Quality Check KnowHow were updated to require that the Closures Checklist be completed.
95. Prior to June 2023, though the 'CC - DE - Reverse Fees and Interest on Credit Cards' guide identified that credit card fees (including Impermissible Fees) charged after the customer's death needed to be refunded:
- 95.1 ANZ's Fee Process Guide (referred to in paragraph 94.2 above) did not address credit cards; and
- 95.2 there was no requirement to confirm that all fee reversals had been completed.

E.2.2 Training

96. From January 2020, the Banking Code Mandatory Learning (referred to at paragraph 37 above) included reference to the Fee Obligation as follows:
- Once notified of a customer's death, the bank will identify products and services that can no longer be provided. The bank will stop charging fees for these products and services and will issue any refunds as appropriate.*
97. From early 2023, in addition to existing training dedicated to Bereavement Team systems and processes, the New Program (referred to in paragraph 70 above) included the Banking Code Module which addressed the Fee Obligation. The Banking Code Module provided an overview of the Fee Obligation, however it did not provide any guidance as to how the Fee Obligation was to be implemented in practice, other than to refer to the Fee Process Guide (referred to at subparagraph 94.2 above) which did not refer to Impermissible Fees.
98. The May 2023 Huddle also referred to the Fee Obligation, however it did not provide any detailed guidance as to how the Fee Obligation was to be implemented in practice, including how Impermissible Fees which had been charged since the customer's death were to be identified, stopped or refunded.

99. No other specific training was provided to Bereavement Team members to explain how Impermissible Fees should be identified, stopped or refunded (where they had been charged since the customer's death).

E.2.3 Process in respect of fee waivers and fee refunds for credit cards

100. During the Relevant Period, ANZ's process was to address fees in two stages. The first stage involved applying fee waivers following notification of a customer's death so as to prevent certain fees and interest from continuing to be charged. The second stage involved the refund of any fees either not blocked by applying a fee waiver, or that had been charged following date of death but prior to notification. This is addressed in further detail below.

E.2.4 First stage (waiver): Application of D Block to credit cards

101. During the Relevant Period, once a date of death was recorded on the credit card customer's profile in the CAP System, the Bereavement Team was to apply a 'D Block' to credit cards. The D Block could be applied:

101.1 automatically by the New Case Macro when the First Letter was generated;
or

101.2 manually by the Bereavement Team.³

102. Once applied, the D Block had the effect of stopping all future fees on relevant credit cards including Impermissible Fees. The D Block did not identify or initiate refunds for any Impermissible Fees which had already been charged before the D Block was put in place.

103. In January 2020, the Bereavement Team implemented the '**D Block Report**' to identify credit card accounts where a customer's date of death had been recorded in the CAP System but a 'D Block' had not been applied. The D Block Report ran on a monthly basis and the Bereavement Team manually applied D Blocks to any accounts identified in the report where the deceased customer was the primary cardholder. Because the D Block prevented future charges only, the D Block Report

³ While the New Case Macro had this functionality for the entirety of the Relevant Period, the documented process guide in respect of the New Case Macro was only introduced in November 2022.

did not identify where Impermissible Fees had been charged after the date of death and not refunded.

E.2.5 Second stage (refunds): New Case Macro/manual processing

104. During the Relevant Period, the process for the identification of fee refunds was as set out at paragraph 93 above.

105. Although it was not recorded in any of the documents referred to in paragraph 94 above, throughout the Relevant Period:

105.1 ANZ's New Case Macro operated when the First Letter was generated to automatically refund credit card fees back to either the date of death of the customer or six months from the date of death being recorded in ANZ's systems; and

105.2 in circumstances where the date of death was more than six months prior to the date of death being recorded in ANZ's systems, a manual process of refunding fees was adopted by the Bereavement Team to identify any additional charges not automatically reversed.

106. Throughout the Relevant Period, aside from the refund of credit card fees to which the New Case Macro applied (as described at paragraph 105 above), the process for the refund of fees by ANZ was largely a manual process which made it susceptible to human error, requiring a reliance on ongoing and regular training and monitoring/quality control checks.

E.2.6 Quality assurance and quality control checks

107. From 2019, manual quality checks (**Maker-Checker QC**) were performed by the Bereavement Team. All cases requiring a disbursement were assigned to the QC workbasket for review of the work done by the 'maker' prior to finalisation. The Maker-Checker QC was conducted by the 'checker', a second Bereavement Team member.

108. Until the Quality Check KnowHow was published on 27 October 2022 (see paragraph 94.4 above), ANZ did not have overarching documentation of the quality check process in place to assess whether fees had been refunded prior to an estate being finalised.

109. As part of the Maker-Checker QC process, the Quality Check KnowHow required that:
- 109.1 the checker inform the maker of any errors; and
 - 109.2 any identified errors be remediated before the estate could be finalised.
110. Throughout the Relevant Period, quality assurance checks were conducted by ANZ's CSO Quality Team. Up to July 2023, the members of the CSO Quality Team that supported the Bereavement Team were located in Melbourne and Bengaluru. From July 2023, the quality assurance checks were completed exclusively by Melbourne-based members of the CSO Quality Team.
111. Between February 2021 and November 2021, these quality assurance checks included closure checks (which included fee refund checks) on samples of cases for each Bereavement Team member managing cases. During this period, sample sizes per staff member for closure checks were:
- 111.1 in ordinary circumstances, three cases per month;
 - 111.2 for new starters, four cases per month;
 - 111.3 for staff members failing an assessment within the same month, four cases per month; and
 - 111.4 for underperforming staff and/or those that have contributed to compliance incidents, six cases per month.
112. Until June 2023, ANZ did not otherwise carry out quality assurance checks that included fee refund checks.
113. In June 2023, ANZ commenced QA checks that tested for Chapter 45 compliance, including compliance with the Fee Obligation.

E.3 Awareness of issues in relation to Fee Obligation

E.3.1 BCCC inquiry

114. As noted at paragraph 51 above, on 12 October 2021, the BCCC informed ANZ that it intended to conduct an inquiry into banks' (including ANZ's) compliance with the obligations under Chapter 45 of the Banking Code, including the Fee Obligation.

E.3.2 Internal event report on fees

115. On 7 February 2022, an internal event report was lodged regarding fees charged on deceased estate sole accounts (in circumstances where ANZ had been informed of the deceased's death) following identification by a staff member completing a business sample review of accounts. As a result of this report, a working group was established to determine which types of fees and charges could, and could not, be charged to deceased estates.

E.3.3 Internal Audit report

116. The September 2022 internal audit report completed by ANZ referred to at paragraph 58 above, noted among other things that:
- 116.1 there were instances where fees charged on accounts (cards, personal loans and deposits) post notification of a customer's passing may not have met internal process intended to support compliance with the Banking Code requirements (relevantly including the Fee Obligation);
 - 116.2 whilst the current deceased estates process has instructions on waiving fees for credit cards, personal loans and transactional accounts, there was no guidance on the breakdown or identification of the individual fees to be stopped for services/products no longer provided or that which can continue to be charged; and
 - 116.3 there was a lack of alignment of documented processes to what has been outlined in the individual product terms and conditions.
117. The audit report identified the following issues:
- 117.1 there were no controls (such as exception reporting or quality checks) to ensure all fees were stopped and/or refunded in accordance with the intended processes;
 - 117.2 there was a lack of effective quality assurance or quality controls/checks to ensure cases have been dealt with in accordance with the Banking Code and internal procedural requirements; and

- 117.3 there was no guidance on the breakdown or identification of the individual fees to be stopped for services/products no longer provided or that which can continue to be charged.
- 118. The root cause of the issues referred to above was identified in the audit as:
 - 118.1 documented processes related to cessation/waiver of fees are not clearly articulated as required including ensuring reconciling to what has been outlined in product terms and conditions;
 - 118.2 lack of process clarity on fees that can/cannot be charged across different product types as well as lack of periodic/ongoing reviews;
 - 118.3 roles and responsibilities are not clearly documented or understood; and
 - 118.4 lack of appropriate and established monitoring controls in place to ensure appropriate measures are taken to ensure all fees/interest has been refunded since the customer's death.
- 119. The action plan contained in the audit stated that a working group would be established in May 2023 to engage with Legal to seek guidance/clarity on all types of fees that should/should not be charged for all product types and compare this with what has happened in actual practice. Other relevant action items were given a due date of December 2023 (unless otherwise stated), including:
 - 119.1 identifying any other estates from 1 July 2019 where fees should not have been charged and needed to be refunded;
 - 119.2 identifying the cohort of impacted estates from 1 July 2019 and remediating in line with ANZ's retail and commercial remediation framework;
 - 119.3 a comparison between the legal guidance obtained and ANZ's processes would be undertaken to ensure the processes aligned to the product terms and conditions (which incorporate the Banking Code);
 - 119.4 establishing and documenting/updating the agreed processes and procedures (including KnowHow) with relevant details around fees that could be charged/cannot be charged and where fees can be waived. Updated processes/procedures were to be communicated to staff; and

- 119.5 implementing and embedding controls/monitoring mechanisms for all products (e.g. exception reporting) to ensure oversight on fees/interest being waived/refunded appropriately and ongoing alignment to product terms and conditions.

E.4 Improvements made in 2023

120. In January 2023, ANZ introduced a '**Daily Exception Report**' to identify where no fee waivers had been applied in the previous two business days where a date of death had been entered into the CAP System. The Daily Exception Report did not:
- 120.1 cover credit card accounts that were the sole account held by the deceased estate until December 2023; or
- 120.2 identify when a fee reversal had not been applied, including with respect to Impermissible Fees that had been charged after the date of the customer's death.
121. As explained at paragraphs 94.2, 94.6 and 113 above, in May and June 2023, ANZ enhanced its policies and procedures, including to incorporate credit cards into the Fee Process Guide, introduce the Closure Checklist, and incorporate Chapter 45 testing into QA.
122. On 27 June 2023, ANZ introduced an automated '**Bulk Processing Tool**' which ingested the Daily Exception Report and automatically created cases and applied missing fee waivers to accounts identified in the daily exception report.⁴
- 122.1 The Bulk Processing Tool applied missing D Blocks to credit card accounts where the account holder held other ANZ products (see further below regarding enhancement of the tool to incorporate standalone credit card accounts). Because fee waivers prevent future charges only, this tool did not include any function for refunding fees that had been charged after the date of the customer's death, including Impermissible Fees.

⁴ Standalone credit cards were not initially captured in the Daily Exception Report due to a limitation in the design of the logic of that report which was corrected in December 2023. Standalone credit cards were captured in the New Case Macro for the entirety of the Relevant Period and the D Block Report from its inception in January 2020.

- 122.2 As part of the implementation of the Bulk Processing Tool, the Bereavement Team completed a manual daily review of the tool to validate its effectiveness. This included a review by a Senior Officer or Team Leader to check a random sample of 10% of cases created via the Bulk Processing Tool to confirm that fee waivers had been applied correctly. As at 1 September 2023, the Bereavement Team's daily review confirmed the tool had placed waivers with 100% accuracy.
123. In July 2023, ANZ's QA processes were enhanced to include additional end-to-end testing by the CSO Quality Team of finalised or otherwise closed cases, including in relation to compliance with the Fee Obligation. A minimum of 30 files per quarter were reviewed.
124. In December 2023, ANZ:
- 124.1 introduced a '**Fee Matrix**' which detailed a list of fees for various products and services which ANZ identified that it had decided not to charge (and where necessary, refund) to a deceased person's account. The Fee Matrix refers to the Impermissible Fees. The Fee Matrix also identifies other fees which ANZ would waive and refund, even though ANZ did not consider them to be subject to the Fee Obligation. At this time, though the Fee Process Guide, Quality Check KnowHow and Closure Checklist were further uplifted to incorporate reference to the Fee Matrix, this did not change the overall process being followed by Bereavement Team in applying fee waivers or reversing fees (including for Impermissible Fees);
 - 124.2 enhanced the Daily Exception Report to capture standalone credit card accounts; and
 - 124.3 further updated the Maker-Checker QC process to require an additional daily end-to-end quality check on a random sample of estates (in addition to the checks conducted on cases during the process of finalisation of estates). This required, for each sample case, that the 'checker' identify all fees charged between the customer's date of death and the finalisation of the estate, confirm that those fees had been refunded, and require that any identified errors have been remediated before finalisation of the estate. The updated Maker-Checker QC was conducted for 10% of cases between

December 2023 and February 2024, for 20% of cases between February 2024 and April 2024, and for 30% of cases since April 2024.

E.5 Inadequacy of systems, controls and processes in respect of Fee Obligation before June 2023

125. During the Relevant Period, ANZ did not have in place any, or any adequate, systems, controls or processes in relation to the Fee Obligation. In particular, from 1 July 2019:
- 125.1 until June 2023, ANZ had no documented guidance, or no adequate documented guidance, on the Fee Obligation for ANZ's Bereavement Team and other relevant staff: see paragraphs 92 to 95 above;
- 125.2 until March 2023, ANZ had no training, or no adequate training, on the Fee Obligation for its Bereavement Team: see paragraphs 96 to 99 above;
- 125.3 until June 2023, ANZ did not have adequate systems or processes to identify, stop and refund fees that were subject to the Fee Obligation and report breaches of that obligation (in BCCC compliance statement reporting): see paragraphs 107 to 113 and 123 to 124.3 above; and
- 125.4 until June 2023, ANZ did not have adequate systems or processes to record and monitor breaches of the Fee Obligation: see paragraphs 107 to 113, 121 to 123, and 124.2 above.

E.6 Scale of contravention in relation to the Fee Obligation

126. As detailed further below, during the Relevant Period, deceased estates were charged Impermissible Fees which were not consistently refunded in accordance with requirements of the Banking Code.
127. The September 2022 internal audit report found that in its review of a selection (i.e. not all) of ANZ's consumer credit card products during the period 1 July 2019 to 30 June 2021, there were 256 accounts where reward fees had not been refunded as required by the Fee Obligation.
128. For the July to December 2022 reporting period, ANZ reported to the BCCC that it had an ongoing investigation into whether it had breached the Fee Obligation by failing to refund fees upon notification of the death of a customer.

129. On 24 May 2024, ANZ lodged its Breach Report with ASIC which advised of a potential breach of s 912A(1)(a) of the Corporations Act and s 47(1)(a) of the Credit Act in light of deficiencies in its deceased estates systems, controls and processes relating to fees.
130. ANZ commenced an estate remediation program including with respect to potential breaches of the Fee Obligation. As part of this remediation program, due to the limitations in its systems, ANZ has been unable to identify all estates that have been affected by breaches of the Fee Obligation. As a result, ANZ's remediation program applied assumptions beneficial to the deceased estates, including by assuming that:
- 130.1 fees generally had not already been refunded by the Bereavement Team during finalisation of the estate; and
- 130.2 ANZ recovered any debt owed by the deceased estate to ANZ.
131. ANZ completed its remediation program on 28 June 2024, with 17,556 estates paid \$3,203,443.06 (including \$385,522.48 to represent TVM) including in relation to fees and interest that may have been impacted by the Fee Obligation.
132. Of the 133,705 fees which have been remediated:
- 132.1 3,018 fees were Impermissible Fees;
- 132.2 of which 2,227 fees (totalling \$158,004.29) were charged after 1 July 2019.
133. Approximately 99.5% of the Impermissible Fees referred to above were charged prior to ANZ receiving notification of the customer's death.
134. Further, until June 2023, ANZ's systems, controls and processes could not identify whether fees charged after a customer's death (but before ANZ received notification of the customer's death) had been refunded.

F. ADMISSIONS

135. From 15 September 2019 to 30 June 2023, ANZ failed to do all things necessary to ensure that:
- 135.1 the financial services covered by its AFSL (being the provision of the Deposit Accounts); and

135.2 the credit activities covered by its ACL (being the provision of the Loan Accounts),

were engaged in efficiently, honestly and fairly, and therefore contravened ss 912A(1)(a) and (5A) of the Corporations Act and ss 47(1)(a) and (4) of the Credit Act, respectively by, in relation to both the 14 Day Obligation and the Fee Obligation:

135.3 not having any, or any adequate, documented guidance for ANZ's Bereavement Team and other relevant staff;

135.4 not having any, or any adequate, training for ANZ's Bereavement Team and other relevant staff;

135.5 not having any, or any adequate, systems or processes to identify notifications, requests or fees subject to the obligations; and

135.6 not having any, or any adequate, systems or processes to monitor notifications, requests or fees subject to the obligations and report any breach of the obligations in BCCC compliance statement reporting.

G. OTHER MATTERS RELEVANT TO PENALTY

G.1 Deliberateness

136. ANZ did not deliberately engage in the conduct which resulted in the contraventions that are the subject of the Proceedings.

G.2 Involvement of senior management

137. ANZ senior management were not involved in the contraventions that are the subject of the Proceedings.

G.3 ANZ size

138. ANZ is a major Australian bank. As at 5 September 2025, its parent company, ANZ Group Holdings Limited, was the eighth largest company listed on the Australian Securities Exchange by market capitalisation. As at 30 September 2024, ANZ Group Holdings Limited's market capitalisation was approximately \$90.8 billion, and its total assets were approximately \$1,229 billion. In the financial year ending 30 September 2024, ANZ reported a statutory profit of \$6.595 billion (after tax).

139. ANZ's revenue, profit before income tax and net profit for each year ended 30 September 2019 to 30 September 2024 was as follows:

Year	Net Interest Income (\$m)	Other Income (\$m)	Profit before income tax (\$m)	Net Profit for the year (\$m)
2019	\$14,339	\$4,446	\$8,920	\$5,953
2020	\$14,049	\$3,588	\$5,516	\$3,577
2021	\$14,161	\$3,259	\$8,936	\$6,162
2022	\$14,874	\$4,552	\$10,079	\$7,119
2023	\$16,575	\$3,891	\$10,134	\$7,165
2024	\$16,037	\$4,484	\$9,446	\$6,595

140. ANZ's annual turnover (within the meaning of s 5 of the Credit Act and s 9 of the Corporations Act) in each 12-month period since September 2019 has been sufficiently high that 10% of that figure is greater than an amount equal to 2.5 million penalty units.

G.4 Customer impact

141. As referred to in paragraphs 76 and 125 above, due to system limitations and deficiencies, ANZ has been unable to identify all customers potentially affected by ANZ's conduct the subject of the Proceedings. Given that, the full extent of customer impact is unknown.
142. In February 2022, ANZ reported a backlog of 7,329 cases. In 2022, ANZ finalised approximately 33,000 cases. As set out in paragraphs 54.2 and 57, the 2022 Backlog was identified in or about 21 February 2022 and was cleared by 25 July 2022. During this period, the impact on customers was two-fold. First, those customers who were part of the 2022 Backlog experienced delays and the requests subject to the 14 Day Obligation could not be prioritised, as they could not and were not recorded as being subject to the 14 Day Obligation in ANZ's systems at the time. Secondly, during this period, ANZ informed estate representatives that there were delays of 6 to 8 weeks.

143. Between July 2019 and June 2023, ANZ received 2,878 complaints which it has identified as potentially relating to breaches of the 14 Day Obligation and/or the Fee Obligation. Customers complained of difficulties and delays in closing deceased relatives' accounts, and of being charged fees after accounts were closed. Some examples of the nature of complaints received by ANZ over this period are set out below.

143.1 In February 2022, an executor of a deceased customer's estate expressed disappointment as a result of delays in finalising the estate. ANZ apologised and told the individual that ANZ had organised more staff and training and was working on the backlog to avoid a similar issue with other customers in the future.

143.2 In April 2022, ANZ received a complaint from a customer who advised of ongoing delays in finalising her deceased mother's accounts. ANZ had been notified of the customer's death and received relevant documents in early February 2022, but the request remained unresolved by March. When a solicitor assisting the estate contacted ANZ in March seeking an update, they were told that the account had not been finalised due to a current backlog, but that the request would be marked urgent and processed within 10 to 14 days. Despite that, when the solicitor later contacted ANZ, they were told the request would take another 10-14 days to finalise.

143.3 In April 2022, the daughter of a deceased ANZ customer telephoned the bank stating that it had taken ANZ many months to act on a request to finalise and close her late mother's account. *"This is the finalisation of 12 years of care and responsibility for my mother financially and emotionally I cannot move on until this is resolved. The amount is not huge but this is the last task to be completed for her."*

143.4 In May 2022, ANZ received a complaint from a person who explained that her mother had waited for over five weeks for the release of funds from her deceased's husband account. In the meantime, her mother had needed to pay for funeral expenses. The caller stated that, despite having called the relevant ANZ branch several times to try to speak with someone about the requested release of funds, she had only been able to leave messages and the request remained unaddressed. *"Is this ANZ customer service at its*

best [?] ... Appalling way to treat a widow that has dementia and has had to pay for her husbands funeral expenses".

- 143.5 Also in May 2022, ANZ received a complaint from a deceased customer's representative, stating that it had taken more than a year to finalise the estate, which delay had caused financial hardship. *"... I have been told different things by the Deceased Estate Team and CDD (customer due diligence) team and wasted many hours of my time to only realise i was fed the wrong information. ... This process has become ridiculous and needs to be sorted asap".*
- 143.6 In June 2022, a representative of a deceased customer reported to ANZ that, despite having submitted all requested documentation more than 8 weeks prior, the relevant accounts were not yet closed and ANZ had indicated it would take a further 6-8 weeks due to a backlog. *"... How can an instruction to close accounts made 9 weeks ago still be pending and not be expected to be actions for a further 6-8 weeks? This is absolutely not good enough. Even during the peak of the COVID outbreak, there was not a delay of this timeframe".*
- 143.7 In February 2020, ANZ received a complaint from a deceased customer's representative regarding delayed processing of a request that an annual fee charged to the deceased customer's credit card be partially refunded following account closure. *"... this request had not been processed as [they] had encountered difficulty dealing with the branch around deceased estate processes".*
- 143.8 In November 2021, ANZ received a complaint from a customer who had requested that funds be transferred into her late husband's accounts in June or July, which transfer had not yet occurred. The customer said she needed the funds to sell a property and was unimpressed by the process having taken so long and because she had been told *"different things every time"*.
- 143.9 In March 2022, an ANZ customer who was executor of her late husband's estate complained that an additional \$600 in interest and fees had been incurred on her husband's account despite the customer having told ANZ

that he had died. *“The customer is upset and believes they should not have to pay the interest and fees since the passing”*.

143.10 In March 2022, ANZ received a complaint made by a deceased customer’s wife, who had notified ANZ of her late husband’s death nearly a year earlier and tried to close his credit card account. Despite that, she had received a bill for the credit card account annual fee.

144. ANZ accepts that its failure to comply with the 14 Day Obligation and the Fee Obligation may have compounded the emotional distress being experienced by representatives managing the estate of a friend or family member who was recently deceased.

G.6 Contrition

145. ANZ acknowledges and accepts responsibility for what occurred in relation to the unlawful conduct that gives rise to contraventions of s 912A(1)(a) of the Corporations Act and s 47(1)(a) of the Credit Act. ANZ unreservedly apologises to all customers affected by its conduct.

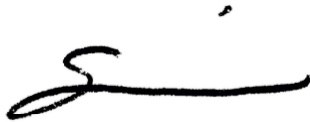
146. In June 2024, prior to the commencement of the Proceedings, ANZ sent 9,137 letters of apology to estate representatives where ANZ identified that the deceased customer’s estate may have taken more than 90 days to finalise.

147. In July 2024, ANZ issued a public statement on its website acknowledging the release of the BCCC’s adverse findings regarding ANZ’s management of the estates of deceased customers. In that statement, ANZ apologised to customers and their families, and committed to continuing to make changes to provide better support for deceased customers’ representatives

G.7 Cooperation

148. ANZ has engaged constructively with ASIC in advance of the Proceedings being commenced, including by making admissions in relation to its conduct at the earliest available opportunity, acknowledging liability in respect of the admitted contraventions prior to the filing of an originating process, and engaging with ASIC on the preparation of this SAFA. By its conduct, ANZ has avoided the need for a contested proceeding on liability and relief.

Date: 12 September 2025

A handwritten signature in black ink, appearing to be 'Gina Wilson', written above a horizontal line.

Signed by Gina Wilson
Lawyer for the Plaintiff

A handwritten signature in black ink, appearing to be 'Belinda Thompson', written above a horizontal line.

Signed by Belinda Thompson
Lawyer for the Defendant