



**ASIC**  
Australian Securities &  
Investments Commission

**CEU final compliance report by ASIC**

ASIC’s final report dated **8 September 2020** on compliance with the s93AA ASIC Act court enforceable undertaking (CEU) given by **Australia and New Zealand Banking Corporation (ANZ)**.

Terms used in this report have the same meaning as in the CEU dated **5 July 2018**. Matters described in ASIC interim report dated 9 May 2019 have not been repeated in this report.

Undertakings	Report on compliance
<p><b>Independent Expert Second Review and Report</b></p> <p>CEU paragraphs 3.12.8 - 3.12.10</p>	<ol style="list-style-type: none"> <li>On 27 March 2020, PwC provided ASIC with its Second Compliance Report in relation to its review of ANZ’s compliance with paragraphs 3.2 - 3.7 of the CEU which was within the time frame required under paragraph 3.12.10 of the CEU.</li> <li>The Second Compliance Report indicates that PwC did not identify any exceptions in relation to ANZ’s compliance with paragraphs 3.2 - 3.7 of the CEU. An extract of PwC’s Second Compliance Report Summary of findings has been included below.</li> </ol>
<p><b>Recommendations or offers of Superannuation Products</b></p> <p>CEU paragraphs 3.2 - 3.7</p>	<ol style="list-style-type: none"> <li>On 28 August 2020, ASIC communicated to ANZ noting that the undertakings regarding recommendations and offers of Superannuation Products continue to apply as described in CEU paragraphs 3.2 - 3.7.</li> </ol>

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## Summary of findings

**Overall, and since our Initial Review and report of 12 April 2019, our review found that ANZ has continued to effectively operate processes and controls that enable the continued compliance with the EU undertakings. Our work did not identify any gaps in the operating effectiveness of the processes and controls applied by ANZ to manage its compliance with the EU undertakings.**

Upon entering into the EU with ASIC, ANZ initiated a detailed program of work to address the various findings raised by ASIC and meet each of the EU undertakings. As highlighted in our Initial Review and Compliance report, this program of work was designed to, and achieved, the implementation of all required changes to comply with the EU undertakings before the 18 August 2018 timeframe. Since this time, our Further Review has shown that ANZ has continued to operate the relevant processes and controls (both system and manual controls) that have enabled it to effectively maintain its compliance with the undertakings of the EU.

We confirmed that ANZ have continued to operate key steps and requirements including prohibiting branch staff (through training and monitoring controls) from discussing Smart Choice Super with retail customers, regardless of whether this is in conjunction with a Needs-Based Discussion; and mandating that branch staff direct customers to both the generic ANZ website and the financial comparison website, Canstar.

**Our review confirmed that the processes and controls identified in our Initial Review continue to be operating effectively and have enabled ANZ to manage its continued compliance with the undertakings of the EU, such that:**

- branch staff are not permitted to offer or originate Smart Choice Super to retail customers in conjunction with a Needs-Based Discussion or A-Z review;
- branch staff are not permitted to discuss Smart Choice Super with retail customers and are required to follow a mandatory script which directs the customer to the ANZ or the financial comparison website, Canstar;
- branch staff are prevented from originating Smart Choice Super on behalf of retail customers, enforced through system controls and supported by system reporting showing zero Smart Choice Super originations through the branch network since the EU effective date;
- representatives from ANZ's telephone based general advice service, Wealth Connect ("WC") who distribute Smart Choice Super under a general advice model, cannot access information obtained in an A-Z review or Needs-Based Discussion and clarify during the discussion, that they have not considered the customer's personal information;
- staff who are permitted to discuss and / or originate Smart Choice Super do so under a general advice model, with calls being recorded and appropriate compliance warnings provided to customers; and
- there has been no new processes developed or implemented by ANZ to distribute Smart Choice Super or any other Superannuation product since our Initial Review.