



11 March 2025

Mr Nathan Bourne
Senior Executive Leader of Credit, Banking and General Insurance
Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney NSW 2000
Rri.consultation@asic.gov.au

Dear Mr Bourne

FEEDBACK ON CS 16

The Australian Finance Industry Association (AFIA) is the only peak body representing the entire finance industry in Australia.¹ We appreciate the opportunity to respond to ASIC consultation CS 16 relating to additional relief for reportable situations.

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.

AFIA welcomes ASIC relief that seeks to strike a balance between reducing burden on licensees, while upholding the objectives of the reportable situations regime. We appreciate ASIC's objective to rectify the current reportable situations regime which has led to some reports of MDC and CPP breaches that have very little intelligence value. Despite this, AFIA considers the conditions of relief have little impact on the cost burden of licensees. It is also unclear if they would result in intelligence of greater value.


To assist, AFIA would like to raise the matters and proposals below.

¹ [Australian Finance Industry Association \(afia.asn.au\)](http://afia.asn.au).

1. Some breaches would not meet the conditions of relief despite that no financial loss had resulted. An example of this may be an error in an advertisement or when the wrong BPay biller code had been provided in a letter. While these errors were quickly rectified, the impact often exceeds five customers. *We proposed ASIC relief could be expanded to include similar breaches that are rectified in under 30 days where little or no financial losses had resulted.*
2. ASIC could provide some clarity on the operation of paragraph (4AA)(a) in relation to breaches over a period. Currently the subparagraph would appear to require a breach report where two similar breaches have taken place with similar underlying circumstances. However, these similar breaches could occur between a substantial interval.

For example, a customer applies for and is approved for hardship for a period of 6 months. A decision notice is not provided to the customer due to human error. The error was not due to an erroneous script or organisational publication. On its own, the breach may not be reportable. However, it is unclear if it would become reportable where another similar human error took place in 9 to 12 months' time. *ASIC could provide clarity on these infrequent breaches and broaden its relief where human errors have resulted in the occasional breaches, say within 9-12 months.*

3. ASIC may also wish to consider a different amount of financial loss *per customer* as an alternative to the cumulative total of \$500, as many breaches would exceed \$500 on a cumulative basis. The intent of the relief to streamline MDC breach reporting would be given greater effect if there was, say, a *per customer* financial loss cap. *AFIA would be interested to explore the rationale for \$500 and the reasons why this amount had been proposed.*



Yours sincerely

