

14 May 2025

██████████
Executive Director
Regulation and Supervision
Australian Securities and Investments Commission

Via email: data.publication@asic.gov.au

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ASIC consultation on reportable situations and complaints data dashboards

COBA thanks ASIC for the opportunity to provide feedback on Consultation Paper 383: Reportable situations and internal dispute resolution data publication.

COBA is the industry association for Australia's customer owned banks (mutual banks and credit unions). Collectively, our sector has over \$182 billion in assets and is the fifth largest holder of household deposits. Our members range in size from less than \$200 million in assets to around \$25 billion in assets – all significantly smaller than their ASX-listed peers. Customer-owned banks account for around two thirds of the total number of domestic Authorised Deposit-taking Institutions and deliver competition and market leading levels of customer satisfaction in the retail banking market.

Increased transparency for reportable situations and internal dispute resolution

COBA supports increasing transparency on reportable situations and internal dispute resolution (IDR) complaints. We believe that ASIC's previous thematic reporting has been appropriate and informative to the public. The proposed dashboards could potentially enhance consumer trust and provide valuable insights into industry practices. As such, we recommend that ASIC ensure the dashboards are user-friendly and that ASIC provides easy to understand information to minimise the risk of stakeholders misinterpreting the data.

We support ASIC's intention to publish the data with explanatory notes and contextual statements. ASIC should prominently publish these explanatory notes with the dashboards to ensure that customers and other stakeholders are aware of the limitations in the data.

Additional context needed on the data

COBA supports ASIC's intention in the explanatory notes to outline that a firm with many reportable situations or IDR reports does not necessarily indicate a higher incidence of non-compliance or consumer dissatisfaction.

We believe additional context is needed outlining that the data does not indicate whether complaints received are reasonable. IDR is an important avenue to allow customers to raise genuine concerns with decisions made by businesses, particularly when a customer feels they have received poor service or where a product has not met expectations. However, the complaints process can sometimes be distorted due to the expansiveness of what constitutes a complaint under RG 271, which is 'any expression of dissatisfaction'. This means that there can be a range of reasons and subjectivity on the nature of the customers' dissatisfaction. The reporting of the raw complaints data,

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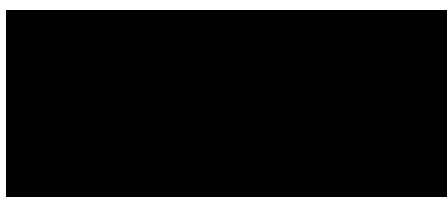
without context on the subjectivity of the complaints, could create the impression that firms are receiving a higher level of genuine complaints than is the case.

COBA wishes to reiterate our long-term concerns with the ASIC's scope of the reportable situations regime. The current broad scope sees many relatively minor matters reported to ASIC that should not be, which wastes reporting entity resources. Additionally, there can be potential data discrepancies between institutions, for example, some institutions may report an event that impacted multiple customers as a single instance while others may report based on the number of customers impacted.

These issues distort the data and could create an inaccurate public impression that there is more widespread serious non-compliance by reporting entities. We have previously outlined to ASIC various ways to more appropriately set the scope for reportable situations, and we believe these should be addressed prior to the creation of the dashboard. Alternatively, the explanatory notes should clearly reference that the reportable situations data includes many relatively minor matters that may not have material consumer harm or, as an interim measure, the firms be de-identified or reported in aggregate until the scope issues are resolved.

We thank ASIC for taking our views into account. Please do not hesitate to contact [REDACTED] Senior Manager Policy [REDACTED] if you have any questions about our submission.

Yours sincerely



Chief Executive Officer