



ASIC

Australian Securities &
Investments Commission

Hardship, not as hard to get help

But lenders still
need to do more



ABOUT THIS REPORT

In late 2023, ASIC reviewed 10 large home lenders to understand how they are supporting customers experiencing financial hardship. The key findings from that review were outlined in Report 782 *Hardship, hard to get help: Findings and actions to support customers in financial hardship* and its summary version REP 783 *Hardship, hard to get help: Lenders fall short in financial hardship support*. This report summarises a) the actions ASIC has taken and b) some of our observations since the release of those reports.

ABOUT ASIC REGULATORY DOCUMENTS

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

DISCLAIMER

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations. Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements. For privacy reasons, the names of case-study subjects have been changed.

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Overview

In late 2023, we reviewed 10 large home lenders to understand how they support customers experiencing financial hardship. We also collected data from these lenders and a further 20 lenders – 10 of them home lenders – about the hardship notices they had received since July 2022.

Overall, we found lenders needed to do more to ensure customers were consistently and appropriately supported. We found, for example, that:

- 35% of customers dropped out of the assessment process at least once, and
- in 40% of cases where payments were reduced or deferred, customers fell into arrears right after the assistance period ended.

We published the findings from the data collection and review in the May 2024 Report 782 *Hardship, hard to get help: Findings and actions to support customers in financial hardship* ([REP 782](#)) and its summary version Report 783 *Hardship, hard to get help: Lenders fall short in financial hardship support* ([REP 783](#)).

Since releasing these reports, we have observed improvements in how lenders are supporting their customers experiencing financial hardship, but also that some are showing slower progress. This report summarises these observations.

We urge all lenders to adopt a proactive, continuous improvement approach to supporting their customers who are experiencing financial hardship – with a focus on improving customer experience and outcomes.



We took action following our hardship report

'Just Ask' campaign

We launched 'Just Ask', a campaign to boost awareness of financial hardship and how consumers could access assistance.

Provided tailored feedback letters

We provided lenders who were part of the end-to-end review with tailored feedback, which required each to provide an action plan on how they would improve their approach.

Engaged with five additional lenders

We also engaged with five additional lenders who we identified as outliers based on data received as part of our data collection and requested action plans in response to our feedback.

Reviewed action plans and requested external independent assurance

We reviewed the action plans and provided individual feedback on them. Where necessary, we requested external independent assurance that the plans had been actioned and that the actions were effective in addressing our feedback.

Twelve-month extension to the hardship data collection

We then extended our initial data collection by 12 months to 30 June 2025, to allow us to monitor how lenders were supporting customers experiencing hardship and how much they had addressed the issues flagged in our reviews.

Enforcement proceedings

At the time of our report, ASIC had already commenced enforcement proceedings against Westpac for failing to respond to customers' hardship notices within the time required by law.

We also started enforcement proceedings against two lenders – Resimac, where we allege Resimac failed to provide appropriate care when responding to hardship notices, and NAB, for failing to respond to customers' hardship notices within the time required by law. In August 2025, the Federal Court ordered NAB and its subsidiary AFSH Nominees Pty Ltd to pay a penalty of \$15.5 million for failing to respond to customers facing hardship.

In September 2025, ASIC and ANZ asked the Federal Court to impose a \$40 million penalty on ANZ for failing to respond to customers' hardship notices within the time required by law and failing to have proper hardship processes in place.

Further regulatory action as a result of issues identified through our review remains under consideration at the time of publication.

What we've observed since

Pleasingly, we've observed continued improvements in lender approaches and customer experience and outcomes, including increased numbers of hardship notices identified by lenders, fewer customers dropping out of the assessment process, and lenders communicating more proactively with customers on their options.

We have also observed lenders work to uplift their hardship practices following the report, although these are at differing stages of maturity.

However, feedback from consumer groups is also indicating:

- that some lenders have been slower to show progress, and
- concern with the quality of some hardship responses.

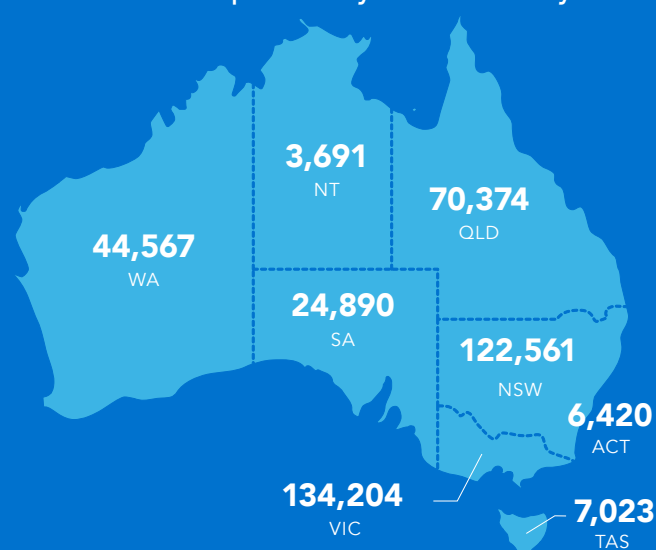
Snapshot: Home loan hardship in Australia 2024–2025

REP 783 presented home loan hardship notice data from 1 July 2022 to 31 December 2023. Below, we present updated figures for the period of 1 January 2024 to 30 June 2025.

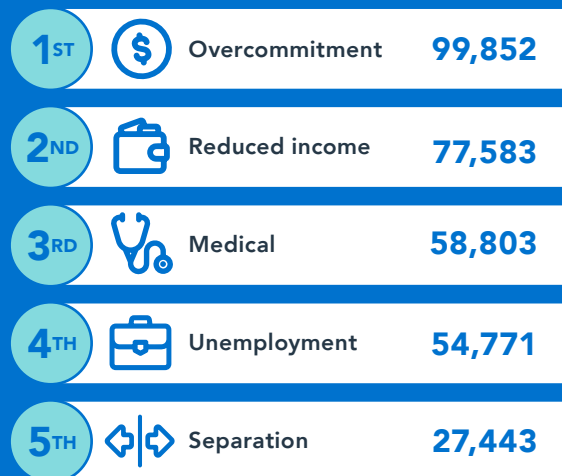
Number of hardship notices by quarter



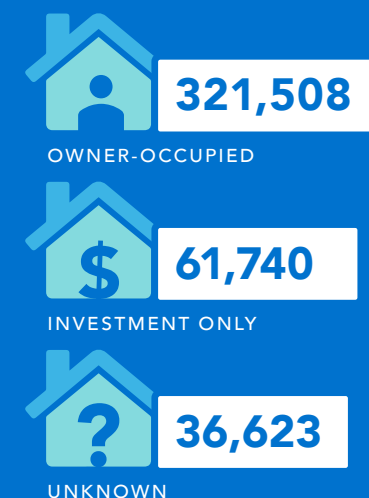
Number of hardship notices by state or territory



Top 5 reasons for hardship notices related to home loans



Number of hardship notices by property purpose



Note: See Appendix 2 for the data shown in these figures (accessible versions).

Please note that the actual number of hardship notices may differ as at least one lender is reviewing their hardship notice identification and recording processes.

Improved customer experience and outcomes

Our observations of the data (covering 1 January 2024 to 30 June 2025) collected from the 10 large home lenders in our review indicated several improvements. These are summarised below.

Observation	What the data shows	Contributing factors or examples of practices from some lenders
Lenders are making it easier for customers to give a hardship notice.	More hardship notices identified by lenders – We observed a 58% increase in the number of hardship notices relating to home loan accounts compared to the 18-month period before our reports were released.	<p>While the increase is partly attributable to factors such as cost-of-living pressures, the rate of increase for some lenders indicates more customers are aware of the availability of hardship assistance. In our view, lenders are also getting better at identifying customers experiencing hardship.</p> <ul style="list-style-type: none">■ Increasing customer awareness of hardship assistance – Lenders increased the amount of hardship information available, including adding website sections on how the hardship process works and how to apply.■ Corrections to policies and training materials – Lenders removed incorrect statements on financial hardship being short-term or the result of a specific life event.■ Improvements to identifying hardship notices – Lenders provided staff training on identifying financial hardship.
The hardship assessment processes are becoming easier.	<p>Fewer customers dropping out of the hardship assessment process – Of the 10 lenders, 3 saw dropout rates decrease by more than 40% compared to the previous 18 months.</p> <p>Lenders’ approval timeframes reduced – Six lenders took less time on average to approve a hardship notice compared to the previous 18 months.</p>	<ul style="list-style-type: none">■ More flexibility in how information is collected – Lenders no longer require customers to complete detailed application forms and instead take that information over the phone.■ No longer issuing requests for information by default – Lenders tailored the amount of information they ask of customers, making it easier to engage with the process. For example, prior to our focus on hardship, three lenders had a default policy of requesting large amounts of supporting documents, and in many instances, these documents were not used. They have since changed this process, saving customers significant time, inconvenience and, in some cases, distress.

Observation	What the data shows	Contributing factors or examples of practices from some lenders
Lenders are communicating more effectively with customers.	Fewer customers whose payments were reduced or deferred fell into arrears right after the assistance period ended – For two lenders, the proportion of customers whose payments had either been reduced or deferred and who immediately fell into arrears after their hardship assistance period ended decreased by more than 28% compared to the previous 18-month period.	<ul style="list-style-type: none">■ Proactive customer contact prior to their assistance period ending – Lenders are generally now contacting customers prior to their hardship arrangements expiring. At least two more lenders have also implemented check-ins to proactively ask customers if an extension is required.■ Improvements made to communications at the end of a hardship arrangement – This helps the customer understand what is required of them and can help them avoid immediately falling back into arrears.

ONE LENDER’S STEPS IN THE RIGHT DIRECTION

One of the lenders in our review initially compared unfavourably to many of the others, with their practices falling well short of our expectations for how lenders support their customers experiencing financial hardship. However, as a result of our heightened focus and engagement with them, they took several steps to improve their hardship process for customers, including limiting or tailoring requests for further information from customers and taking the customer’s statement of financial position over the phone where possible.

Our review of the hardship data we collected for this lender showed progress. For example, prior to our review:

- the percentage of customers dropping out of the hardship process was 60% whereas now it is 35%
- the lender was taking an average of 17 days to approve a hardship notice, whereas they are now taking an average of 7 days, and
- 45% of the lender’s customers whose payments were either reduced or deferred fell into arrears immediately after the end of the assistance period whereas now this is 32%.

While this lender’s progress is encouraging, there is significant room for improvement by this lender to better support customers experiencing financial hardship. We will continue to monitor their progress and expect to see further improvements in customer outcomes.

Some lenders are still not doing the right thing

Despite the improvements we've observed, there are concerns about the overall quality of lenders' hardship responses. Consumer groups and financial counsellors, for example, have advised that some lenders are still using templated approaches that are not tailored to the customer's individual circumstances – like offering a customer three months of hardship support before referring that customer to the National Debt Helpline.

We will continue to monitor lenders' actions in this area.

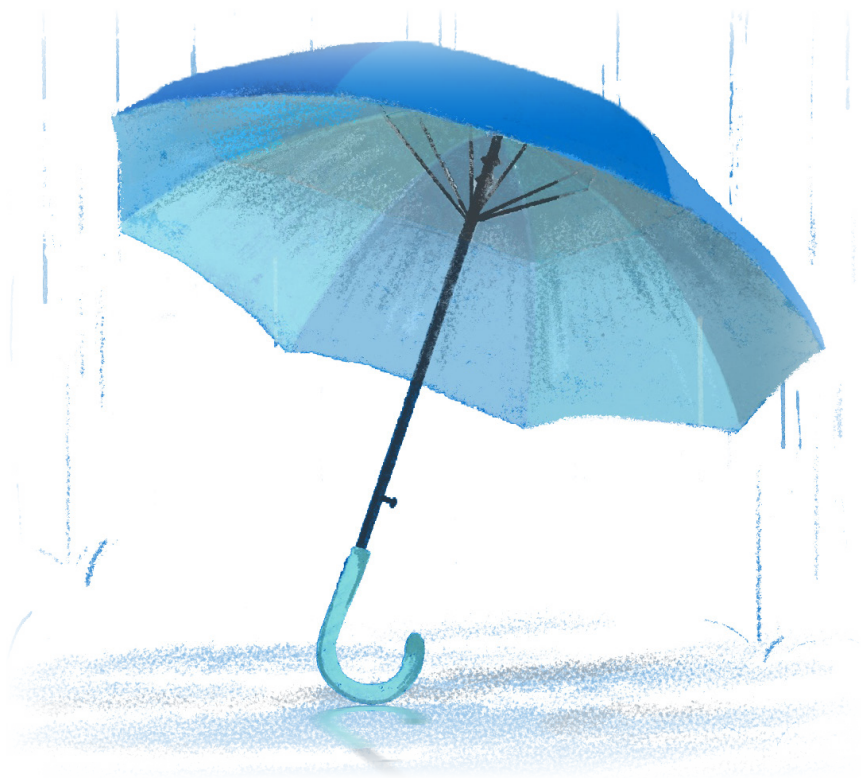
We will continue to monitor lenders' hardship practices

Financial hardship assistance continues to be a key focus area for ASIC. As some consumers continue to experience cost-of-living pressures, it is critical that lenders prioritise support for customers experiencing financial hardship.

All lenders should have already self-assessed against the review findings and taken steps to improve their approach to supporting customers experiencing financial hardship. However, as this report has indicated, there are still gaps.

We urge all lenders to adopt a proactive, continuous improvement approach to supporting their customers experiencing financial hardship, and to ensure adequate focus on customer experience and outcomes in their practices.

Although we have now ceased the data collection part of this work, we will continue to monitor the progress of lenders requested to provide action plans – including reviewing the reports from the independent reviewers.



List of lenders involved in ASIC's data collection and review

10 LENDERS IN OUR DATA COLLECTION AND REVIEW:

- Bank of Queensland Limited
- Bendigo & Adelaide Bank Limited
- Commonwealth Bank of Australia
- ING Bank (Australia) Limited
- Macquarie Bank Limited (and Macquarie Securitisation Limited)
- National Australia Bank Limited
- Pepper Money Limited
- Resimac Limited (and related entities)
- Secure Funding Pty Limited (trading as Liberty Financial)
- Westpac Banking Corporation

5 LENDERS IN OUR DATA COLLECTION, WHO WE ENGAGED WITH FOLLOWING OUR REVIEW OF THEIR DATA:

- Bluestone Mortgages Pty Ltd
- Firstmac Limited
- La Trobe Financial Services Pty Limited
- Plenti RE Limited
- Volkswagen Financial Services Australia Pty Ltd

15 LENDERS IN OUR DATA COLLECTION ONLY:

- Allied Credit Pty Ltd
- American Express Australia Limited
- AMP Bank Limited
- Australia and New Zealand Banking Group Limited
- Credit Union Australia Ltd (trading as Great Southern Bank)
- Heritage and People's Choice Limited
- HSBC Bank Australia Limited
- Humm Group Limited
- Latitude Financial Services Australia Holdings Pty Ltd
- MoneyMe Limited
- Newcastle Greater Mutual Group Ltd
- Nissan Financial Services Australia Pty Ltd
- Norfina Limited
- Toyota Finance Australia Limited
- Zipmoney Payments Pty Ltd

APPENDIX 2

Accessible versions of figures

This appendix is for people with visual or other impairments. It provides the underlying information for the figures presented on page 5 of this report.

Table 1: Number of hardship notices by state or territory

State or Territory	No. of hardship notices
Northern Territory	3,691
Australian Capital Territory	6,420
Tasmania	7,023
South Australia	24,890
Western Australia	44,567
Queensland	70,374
New South Wales	122,561
Victoria	134,204

Table 2: Number of hardship notices by property purpose

Property purpose	No. of hardship notices
Owner-occupied	321,508
Investment only	61,740
Unknown	36,623

Table 3: Top 5 reasons for hardship notices related to home loans

Reason	No. of hardship notices
Overcommitment	99,852
Reduced income	77,583
Medical	58,803
Unemployment	54,771
Separation	27,443

Table 4: Number of hardship notices by quarter

Quarter	No. of hardship notices
January to March 2024	62,969
April to June 2024	68,167
July to September 2024	62,699
October to December 2024	65,447
January to March 2025	78,294
April to June 2025	74,007



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