

ANZ feedback in response to: Addendum to CP311 IDR data requirements

Question	ANZ response
<p>1. Will the draft data dictionary be practical for industry to implement? If not, why not?</p>	<p>For most attributes, ASIC’s updated draft data dictionary (Updated ASIC Data Dictionary) is practical to implement and aligned with ANZ’s own data dictionary (ANZ’s Data Dictionary) we have been developing in response to ASIC’s initial draft data dictionary attached to ASIC CP311 (Original ASIC Data Dictionary).</p> <p>Below, we have provided feedback on aspects of the Updated ASIC Data Dictionary which will not be practical to implement.</p> <p><u>Complaint issue categorisation</u></p> <p>There is significant incompatibility between the Updated ASIC Data Dictionary and ANZ’s Data Dictionary arising from the extension in the Updated ASIC Data Dictionary of the ‘complaint issue’ field (previously field number 32, now field number 19 of Table 3: Object class—Complaint information) from 11 categories to now include an additional second level of complaint issue types (77 in total, as listed in Table 13: Complaint Issue).</p> <p>As there was no second tier of complaint issue types contained in the Original ASIC Data Dictionary, ANZ proceeded on the assumption that firms would be free to apply their own tailored issue types to the primary issue categories. As a result, ANZ’s Data Dictionary has been designed with 90 “level 2” complaint issue types which only partially overlap with ASIC’s 77 complaint issue types in Table 13</p> <p>ANZ’s Data Dictionary was designed over 3 months in conjunction with an external consultant and reflects the most common types of complaints ANZ receives.</p> <p>While we support ASIC’s endeavours to align complaints reporting from IDR through to AFCA and recognise the merits of this approach, we consider the recording of granular complaint issue types is one area where there exist compelling reasons for divergence (or, alternatively, where consideration may need to be given to slightly amending AFCA’s reporting methodology). As AFCA’s remit is to handle escalated complaints, the nature of complaints it handles will necessarily be somewhat different from those that are received by firms in the first instance.</p>

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	<p>It is ANZ's preference that we be able to use the granular complaint issue types that we have devised and which best reflect the issues raised by our customers. In the event that Table 13 of the Updated ASIC Data Dictionary is implemented in its current form, we foresee that ANZ (and other firms) would:</p> <ul style="list-style-type: none"> • Lose the ability to capture information that we have deemed reflects the complaint issue types ANZ receives and which helps ANZ improve the customer experience by, for example, helping us conduct root cause analysis and spot systemic issues. • In certain circumstances, need to select an issue type classification for a complaint that does not as accurately represent the issue type. Having the ability to apply a more expansive, specific and relevant set of issue types would help firms minimise the impact of this potential outcome. <p>We suggest that ASIC:</p> <ul style="list-style-type: none"> • Retain the approach proposed in the Original ASIC Data Dictionary and limit complaint issues to one tier of approximately 11 categories and allow firms flexibility in applying a second tier of complaint types. • Include an additional <i>Scams</i> issue category as it does not neatly fall into any of the existing categories in the Updated Data Dictionary. We think this is an important complaint type to track at both a firm and industry level for consumer protection purposes. • Rename the <i>Financial Difficulty</i> category as <i>Financial Difficulty & Debt Collection</i> to better reflect the granular issue types that ANZ anticipates recording in this category (for instance, <i>debt collection notice not received</i>). <p>If ASIC is not supportive of ANZ's suggestion to remove the second-tier complaint issue types from the data dictionary then an alternative approach could be for ASIC to expand the issue types in the data dictionary. In Appendix A to this table, we have set out additional issue types that ANZ considers should be included in a second-tier, in order to cover common complaint types that are not currently reflected in the Updated ASIC Data Dictionary. Some examples of these complaint issues commonly raised by customers include: <i>branch closure, product or service withdrawn, disagree with the firm's corporate policy, and account closed without notice or in error.</i></p> <p>To demonstrate how applying the proposed complaint issue categorisation could impact our customers, we provide the following example.</p>

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	<p><i>Customer contacts ANZ to complain that they were a victim of a scam online and wanted ANZ to retrieve the amount paid to the scammer. If the frontline agent is unable to resolve this complaint it would be escalated and allocated to a case manager. However, the tagging of the issue would be incorrect so it may take multiple people to review the case before it gets to the right person. In addition, ANZ would not be in a position to easily identify emerging systemic issues relating to scam cases and enact a strategy to address the root cause or enable the frontline to better resolve the cases in the first interaction.</i></p> <p><u>Complaints referred to another financial firm</u></p> <p>The Updated ASIC Data Dictionary does not explicitly cater for complaint handling arrangements ANZ has in place with manufacturers of products ANZ distributes but does not manufacture, such as insurance products. This process could also apply to other commercial relationships, such as when a complaint is made about, or received by, a broker.</p> <p>If a customer contacts ANZ with a complaint about such a product, if the complaint is about a product-related issue then ANZ will refer the complaint to the manufacturer and close the complaint with that as the outcome. Conversely, if a manufacturer receives a complaint about the distribution of such a product, the manufacturer will refer the complaint to ANZ to handle and resolve. This process could apply to other commercial relationships, such as when a complaint is made about, or received by, a broker.</p> <p>We consider this process to be most efficient and beneficial for complainants as it means that after the initial contact, the complainant is dealing with the firm that is best placed to resolve their complaint i.e. the firm which has the necessary information and expertise to do so. We also think this avoids the potential for delay while information is sought by the distributor from the manufacturer (and vice versa), or double-handling. ANZ ensures the complainant is not disadvantaged by this process; for instance, when ANZ receives a referral, we regard the complaint date as the date it was made to the other firm.</p>

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	<p>To demonstrate this point and how it could impact our customers if our proposed approach is not applied, we provide the following example.</p> <p><i>Customer contacts ANZ to complain about the rejection of a claim under an insurance product sold by ANZ, but manufactured by another financial firm. The ANZ case manager contacts the manufacturer and acts as an intermediary between them and the customer. The customer has an extended wait between replies back to ANZ and potentially also gets a call from the manufacturer confusing the situation even further. Allowing a quick capture of the complaint and referral to the right firm connects the customer to the best person to be able to resolve the complaint.</i></p> <p>In some instances, complaints may require the input from both ANZ and the manufacturer. For example, where the customer has concerns about how the policy was sold to them and concerns about a claim decision. In these circumstances, each firm would record and manage the relevant portion of the complaint as a separate complaint.</p> <p>We have previously discussed with AFCA the division in this manner of complaints made to AFCA and they have indicated they are broadly comfortable with the arrangements. As such, we consider this approach to be consistent with ASIC's intention to align complaints reporting through IDR to EDR. If ASIC requires more information, we would be pleased to provide ASIC with additional specific information about the allocation of complaint issues between ANZ and manufacturers, similar to that provided to AFCA.</p> <p>To support the clear recording of this referral process, we request that ASIC add an additional code for <i>Referred to other financial firm</i> to Field 23 Other Outcomes. Further, while we have no concerns with providing ASIC with data about complaints we refer to other financial firms, when it comes to ASIC reporting complaints data we suggest that complaints of this type should be excluded from the referring party's data because such complaints should be included in the data of the party to whom the complaint has been referred.</p> <p><u>Other feedback</u></p> <ul style="list-style-type: none"> Complaint type (field 3): As ANZ extends our IDR process to certain business customers that are not small businesses as defined in RG 271, we request that the code <i>2- small business</i> be changed to 2 –

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	<p><i>business</i> in order to help avoid confusion among our frontline staff when recording a complaint from a business that does not meet this definition of small business but falls within scope of our IDR regime.</p> <ul style="list-style-type: none"> • Complainant demographics (fields 4, 5 and 6): When we record complaints in the frontline we do not ask the gender, DOB or ATSI status of the complainant. This type of personal information is not crucial for resolving a complaint. Further, these are sensitive questions for some people that, in our experience, a complainant may be reluctant to answer. We consider it is a better customer experience if there is not a requirement to seek this information from a complainant. Gender and DOB information (where available) sits in another dataset and would require additional effort to compile for reporting to ASIC, while ATSI status is only recorded when volunteered. We suggest that these fields be made optional. If they are to remain mandatory then we request that DOB have a <i>not stated/not known</i> option added. • AFCA Date (Field 17): This field requires a firm to record <i>the date the complaint was received by AFCA</i>. As the proposed data collection is only for IDR complaints, we suggest that this field be removed as it does not apply to IDR complaints. <p>The inclusion of this data element raises the question whether ASIC proposes that IDR data reporting obligations (and also the provisions of RG271) extend to complaints that are referred back to a financial firm from AFCA? We consider that the AFCA “refer back period” is the first stage of EDR, and not IDR. AFCA already reports on ‘referred back complaints’ on a regular basis. We note that several of the RG 271 paragraphs would be difficult to translate in the context of referred back complaints, for instance, the minimum content requirements for IDR responses, which require AFCA details to be provided.</p> <ul style="list-style-type: none"> • Complaint information: <ul style="list-style-type: none"> ○ Field 21 – Outcome in whose favour - Options are: (1) <i>In favour of complainant in full or in part</i> (2) <i>in favour of entity</i>: We are of the view that this field is not relevant to the application of RG 271 and should be excluded from the final data dictionary. We believe making an assessment about whether the outcome is in the customer or firm’s favour is

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	<p>somewhat subjective and will be difficult for frontline staff to make. Such determinations are usually, and more appropriately, made by dedicated dispute resolution bodies such as AFCA. We do not currently require staff to make or record such an assessment so it would involve implementing an additional process.</p> <ul style="list-style-type: none"> ○ Field 22 Monetary Compensation – Without additional guidance from ASIC as to what to firms should record as ‘monetary compensation’, we are concerned that this field would be approached differently by each firm. This might introduce a risk that the data could be misconstrued. Should this field continue to be required, ANZ anticipates capturing the following: <ul style="list-style-type: none"> ▪ compensation for direct financial loss e.g. if a customer has incurred costs as a result of delay of settlement ▪ refund or waiver of a fee/charge ▪ debt waiver or reduction ▪ compensation for non-financial impacts (e.g. for privacy breaches or debt collection errors) ▪ goodwill gesture (i.e. where no decision has been made as to liability). <p>We think that certain other types of compensation are difficult to quantify and, therefore, arguably be excluded e.g. release of security for debt/release of guarantee; and a decision not to pursue one borrower for a debt where there are joint borrowers.</p> <ul style="list-style-type: none"> ○ Field 23 Other Outcomes: we suggest the following minor changes: <ul style="list-style-type: none"> ▪ Include the following additional ‘Other Outcomes’ types: <ul style="list-style-type: none"> - <i>Correct credit report</i> - <i>Correct firm’s records</i> ▪ For the reasons set out above, we also suggest including <i>Referred to other firm</i> ▪ Outcome 2 <i>apology</i> should be supplemented by the addition of a separate code for <i>explanation</i> to ensure both limbs of RG271.71 are covered,.
2. If your financial firm has multiple business units or brands under the one licence, would	ANZ is likely to report complaints data in a single file.

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<p>you prefer to report the complaints data separately or as one single file?</p>	<p>Currently, ANZ does not operate under multiple brands. While we have no objection to a single financial services licensee reporting its complaints data in separate files if this is more efficient for them, when it comes to publishing data we are concerned about the potential for a lack of data transparency between licensees as a result of some being structured into multiple brands when others are not. If data is published at a brand level then we think this should be supplementary to data about the licensee and the connection between the licensee and brand should be clear.</p>
<p>3. The data dictionary captures multidimensional data by allowing each complaint to have one product or service, up to three issues and up to three outcomes. Where there are multiple issues and outcomes, this is captured using in-cell lists, rather than multiple rows or columns. Is this approach appropriate?</p>	<p>This approach is not compatible with how ANZ records and manages complaints, which we consider to be the most customer-centric approach.</p> <p>In ANZ's view, it is preferable to manage as a single complaint all issues raised by a complainant in a particular communication (or set of closely related communications), irrespective of whether the complaint relates to more than one product or service. Some reasons for this include:</p> <ul style="list-style-type: none"> • From a complainant/customer's perspective: We believe it is a better experience for the complainant to have all their issues dealt with together in a single complaint. The complainant can deal with a single case manager who will have knowledge of all their concerns and can consider them holistically in seeking to resolve them fairly and efficiently (while this could similarly be achieved by having a single case manager manage all complaints relating to a single complainant, this may not always be practicable or efficient for a firm to implement). <p>To demonstrate this point and how it could impact our customers if our proposed approach is not applied, we provide the following example:</p> <p><i>Customer contacts ANZ to complain that they have not yet received important documentation relating to their mortgage application. While on the phone they also mention that they have been charged a fee for their credit card despite being promised a waiver when they signed up earlier in the year. Without the ability to record multiple products the agent would need to complete one complaint and then repeat the process for the second one – increasing the time the customer spends on the phone. When both complaints are escalated, they are sent to two different people to resolve. The customer would receive communications from two different people, each of whom would only be able to talk to the customer about one of their two issues.</i></p>

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	<ul style="list-style-type: none"> • From a banker’s perspective: Where a complainant has multiple issues, products and services, it is easier to manage the resolution(s) by having all information relating to all the complainant’s issues recorded in a single complaint file. <p>In ANZ’s Data Dictionary, ANZ has the ability to record up to three different issues, products and business units for each complaint. In the data set, each of the different options for products and services are recorded as different columns of data, rather than in-cell lists (i.e. Product 1, Product 2, Product 3).</p> <p>To enable the continuation of this approach, we suggest the following amendments to the Updated AISC Data Dictionary:</p> <ol style="list-style-type: none"> 1. Where multiple issues and outcomes are recorded, capture the information in additional columns (rather than in-cell lists). We expect that ANZ’s approach is likely to be consistent with the data management approach of other firms and that firms would need to exert significant manual effort to translate their data into in-cell lists. 2. Allow the capture of up to three products for each complaint, using the same multiple column approach as suggested above.
<p>4. Do you support quarterly reporting of IDR data? If not, what are the additional costs of reporting data on a quarterly rather than half yearly basis?</p>	<p>ANZ supports the publication of IDR data as a means to inform consumer choice and help drive continuous improvement among firms.</p> <p>However, we do not believe there is material benefit for quarterly reporting which would outweigh the additional cost and work effort required to produce quarterly reporting compared with half yearly reporting. There are comprehensive validation and internal governance processes we need to follow to ensure the quality of the data and the allocation of resources to these processes each quarter would increase the costs associated with the reporting.</p>
<p>5. Do you support the two proposed additional data elements that would capture consumer vulnerability flags and the channel</p>	<p><u>Channel</u></p> <p>We support the inclusion of an additional data element to capture the channel via which the complaint was received.</p>

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<p>via which the complaint was received? If not, why not?</p>	<p><u>Vulnerability</u></p> <p>While ANZ supports the objective of providing additional support to customers in vulnerable circumstances and expects a vulnerability flag may become a tool we use in the future, we do not support the collection and reporting of this data element at this stage as there is not a consistent approach to the use of vulnerability flags across the industry.</p> <p>We think firms should be free to determine whether to use vulnerability flags. Further, should a firm elect to use vulnerability flags, the firm should be able to use their own definitions of vulnerability when applying a flag and this should not be mandated by ASIC as part of the IDR data reporting regime. Nevertheless, we would welcome further engagement with ASIC to better understand ASIC’s goals in collecting this information.</p>
<p>6. When we publish the IDR data, how can we best contextualise the data of individual firms? Are there any existing metrics of size and sector that would be appropriate for this purpose?</p>	<p>To help contextualise the data of individual firms, we consider the following principles should apply:</p> <ul style="list-style-type: none"> • As noted above in response to question 2, we think it is important that the way the data is published does not distort the data of individual licensees. • Firms should be grouped by: <ul style="list-style-type: none"> ○ Reference to their primary business (as self-reported from a list of options provided by ASIC) ○ Size (as assessed by metrics such as client loan book size, client funds held in deposits, and client funds under management) – we consider the information provided to AFCA for the purposes of determining ‘business size’ is largely appropriate, though we query whether the ‘number of representatives’ is as relevant and useful as other metrics ○ A level of segmentation by customer type (individual vs business) is likely to be beneficial ○ There should be limitations on use of the data by third parties, such as comparison sites ○ If ASIC has any concerns about the quality of data provided by any firm, then the comparison should be not be published for the period that ASIC’s concerns relate to. • Clarifying information provided by the firm should be published together with data. For instance, in the case of ANZ, it could be relevant to explain that information about small business complaints may include complaints received from other types of business customers, because ANZ applies its complaints handling process to certain business customers beyond the definition of small business.

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7. Which IDR data elements do you think will be most useful for firms to benchmark their IDR performance against competitors?	<p>We consider the following IDR elements would be most useful for benchmarking:</p> <ol style="list-style-type: none"> 1. Average days to resolve and close a complaint 2. Percentage of cases that are resolved at the first point of contact 3. Percentage of complaints resolved within 5 days <p>We have nominated these as we think they have the potential to be reasonably reliable indicators of the efficiency and effectiveness of a firm's complaint handling processes. Using relative measures such as these also reduces the risk of incorrect inferences being drawn from raw complaint numbers. Comparisons based mainly on volumes may lead to an incorrect inference that more mature or larger firms are providing worse products or services.</p>

Appendix A – proposed additional ‘complaint issue types’

Advice

1. Unhappy with ANZ's marketing content

Charges

2. Incorrect FOREX rate applied
3. Loyalty point balance incorrect/points incorrectly applied
4. Reward points redemption issues

Financial difficulty & Debt Collection – suggested renamed category

5. Dissatisfaction with hardship arrangement
6. Debt collection notice not received

Financial entity decision

7. Disagree with corporate policy
8. Product or service withdrawn
9. Branch closure
10. Loan security requirements
11. Credit limit increase
12. Valuation issue
13. Delay in waiting for loan approval/decision not received
14. Investment performance

Service

15. Account setup without knowledge or authorisation
16. Account closed without notice or in error
17. Deceased estate processing issues
18. Account blocked
19. Opening hours
20. Disagree with complaint outcome
21. Remediation outcome issue
22. Complaints handling procedure difficult to access/understand
23. Unable to answer query/didn't escalate to manager
24. Hung up on/call abandoned
25. Expected communication or call back not received
26. Delay in obtaining remediation outcome
27. Reimbursement delayed, incorrect, or not issued

Transactions

28. Handling of unauthorised transaction
29. Transaction cancelled/blocked
30. Handling of disputed transaction

Scams – suggested additional category

31. Attempted scam/phishing attempt
32. Victim of scam

