

Making Banking Better for All Australians

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Australian Bankers' Association**





Strong banks – strong Australia

- Banks' commitment to financial inclusion
- Rebuilding trust – reform of the banking industry
- What do customers tell us about banks & trust?



Strong banks – strong Australia

Banking & Financial Inclusion

- Banking and financial services & products are an essential part of daily life
- All Australians need access to banking and financial products and services that are:
 - *Safe*
 - *Affordable*
 - *Appropriate*
- FIAP Trailblazers



Strong banks – strong Australia

Trailblazing

- Fee-free accounts
- Building staff capability
- Hardship programs
- NILS
- Domestic violence and elder abuse guidelines
- Customer Advocates





Strong banks – strong Australia

Trust

- Trust = “reliance on the integrity, strength, ability & surety of a person or thing”
- Trust in Banking matters
 - Getting right service, when you need it
 - Regulatory environment



Strong banks – strong Australia

Implosion of Trust = Explosion of Scrutiny

Federal Government budget package:

- Bank tax
- Banking Executive Accountability Regime (BEAR)
- Credit Card reforms
- Independent review of an open banking regime (open data)
- Productivity Commission review into competition in banking

Ramsay review of external dispute resolution

Better Banking Reforms

- Review of product sales commissions
- Handling of customer complaints
- Code of Conduct Review
- Protection of Whistle blowers
- Removing poor conduct
- Supporting ASIC as a strong regulator

Recommendations of the small business lending inquiry

Current parliamentary inquiries

- Coleman inquiry
- Gallagher inquiry
- Roberts inquiry into lending to primary industries



Strong banks – strong Australia

Better Banking Reforms

- New Banking Code of Conduct – Dec 2017
- New staff remuneration systems – decouple incentives from product sales – 2018
- New Whistle Blower protections – July 2017
- New Customer Advocate positions – June 2017
- Support for people in hardship – new debt repayment service – 2018/19



Strong banks – strong Australia

Customer research

- Edelman Benchmark: Trust, Transparency & Confidence
- Reforms are important, in particular those which help people in financial difficulty
- Around half of Australians believe the changes will improve trust, confidence and transparency in the banking industry



Strong banks – strong Australia

What do customers tell us?

Trust

- 1 Strengthening the commitment to customers in the Code of Banking Practice
- 2 Reviewing product sales commissions and product based payments
- 3 Establishing a dedicated Customer Advocate in the banks

Transparency

- 1 Strengthening the commitment to customers in the Code of Banking Practice
- 2 Supporting customers experiencing financial difficulty and establishing a new debt repayment service
- 3 Reviewing product sales commissions and product based payments

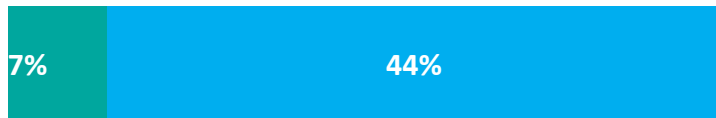
Confidence

- 1 Strengthening the commitment to customers in the Code of Banking Practice
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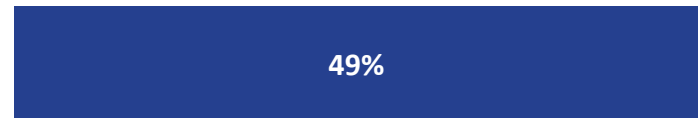


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How familiar are you with the Banking Reform Program?



Am familiar with it Have heard of it, but don't know much about it



Never heard of it





Strong banks – strong Australia

Trust, Confidence and Transparency in Main bank



Trust, Confidence and Transparency in the industry as a whole





Strong banks – strong Australia

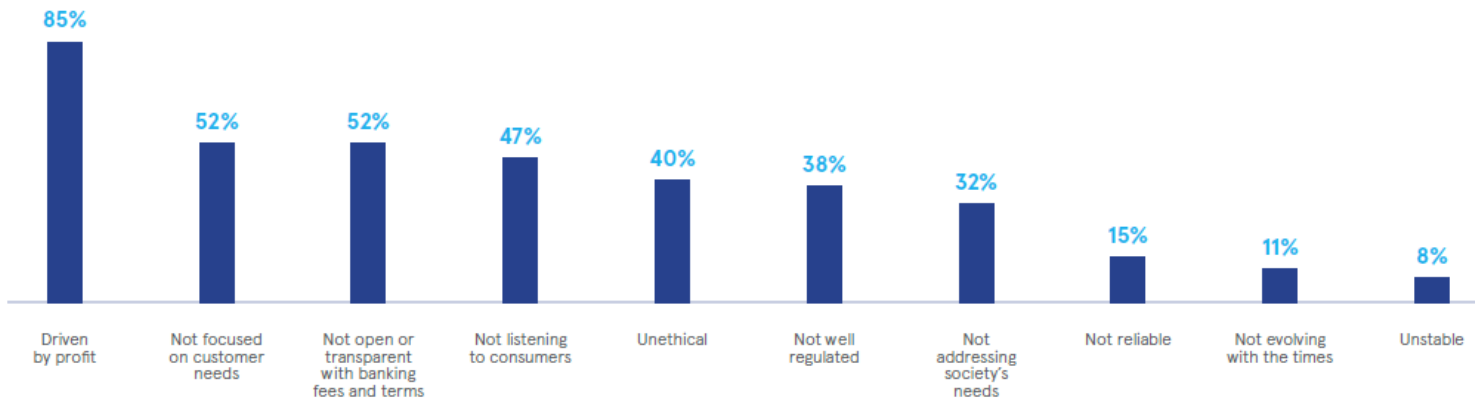
Trust in the banking industry



Sentiments of those who have a high level of trust in the industry



Sentiments of those who have neutral and low levels of trust in the industry





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Challenge

Real Reform

Strong Communication

Better & Fairer experience for All Customers

