



Australian  
Banking  
Association

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# Earning back trust and the role of self regulation

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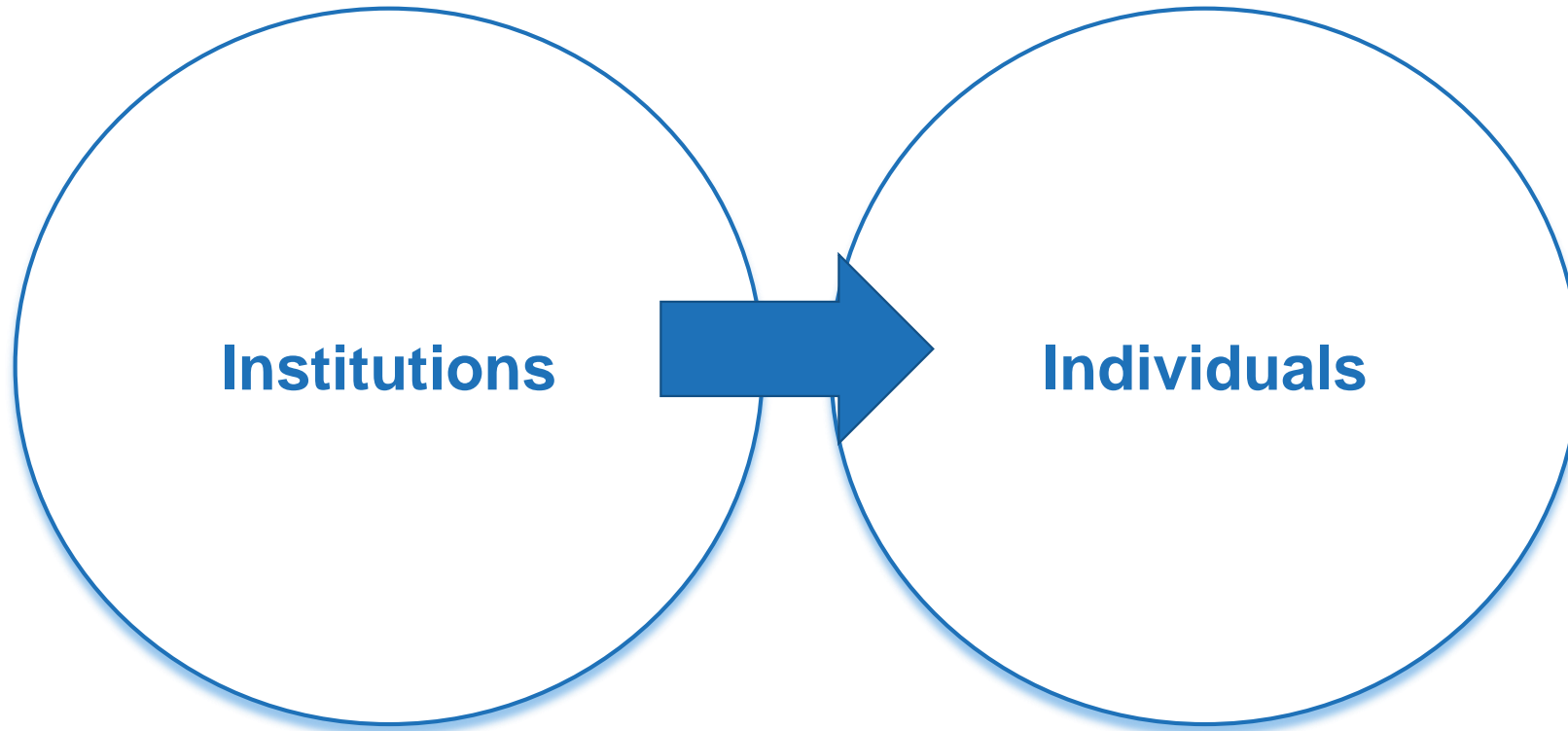


# Earning back trust and reputation

- Why trust matters
- How do we earn back trust?
- Self regulation and the future of our industry



# Who do we trust?



# Where banks are trusted

- 64% of Australians trust their banks almost more than anyone to protect their data
- More than government agencies at 50%, online retailers and social media platforms at 25%
- Only GP's and hospitals have higher levels of trust
- Need to maintain this trust in face of digital transformation – eg Open Banking





# Where we need to do better

- Demonstrate banks provide value for money
- Be more transparent about fees and charges
- Have a culture which encourages behaviour in the best interest of customers at all times
- Support customers in financial difficulty



# Earning back trust



- Lend money responsibly
- Respond quickly to problems when things go wrong
- Be accountable
- Banks have behaved their way into this and banks must behave their way out







**Self regulation, behaviour  
and earning trust**

# The benefits of self regulation

- As part of a robust regulatory environment:
  - Self regulation can be innovative and agile
  - Self regulation enables an industry to focus on ethics and values
  - Self regulation allows an industry to respond quickly to problems without the need for legislation





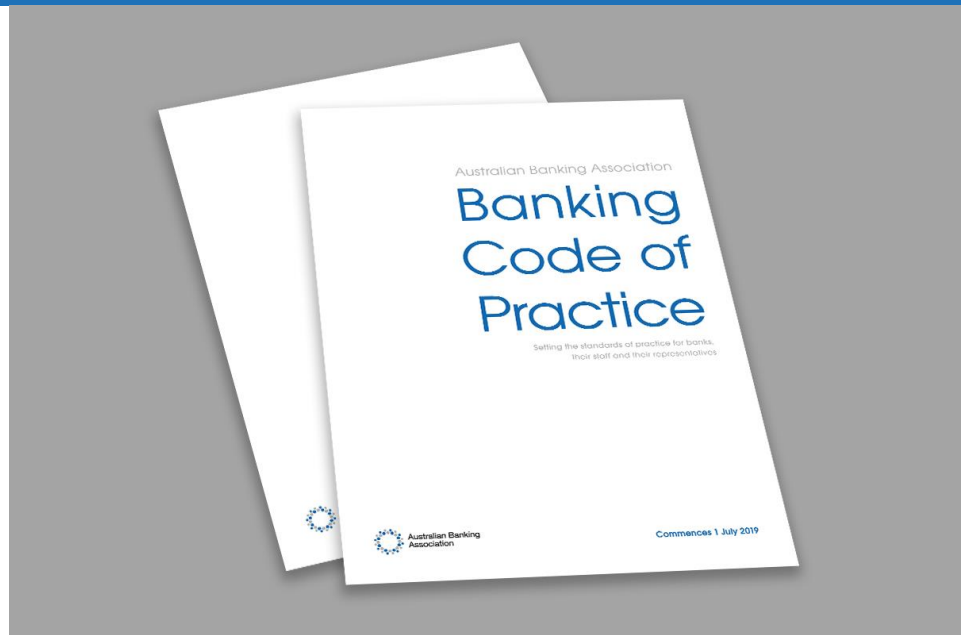
# Self regulation in banking

- Removing sales targets
- Introduced customer advocates
- Industry reference checking protocol
- New Banking Code of Practice



# New Banking Code of Practice

- Simple loan contracts for small business
- Better protections for guarantors
- Better transparency around fees
- No unsolicited offers for credit limit increases
- Support for customers experiencing hardship



"Much more often than not, the conduct now condemned was contrary to law. Passing some new law to say, again, 'Do not do that'...what would that gain?"

-Hon Kenneth Hayne QC AC





# Self regulation & professional standards

- The Banking Code is industry self regulation
- Can professional standards assist individual self regulation?
- Royal Commission highlights:
  - Conduct
  - Compliance
  - Culture
  - Consequences

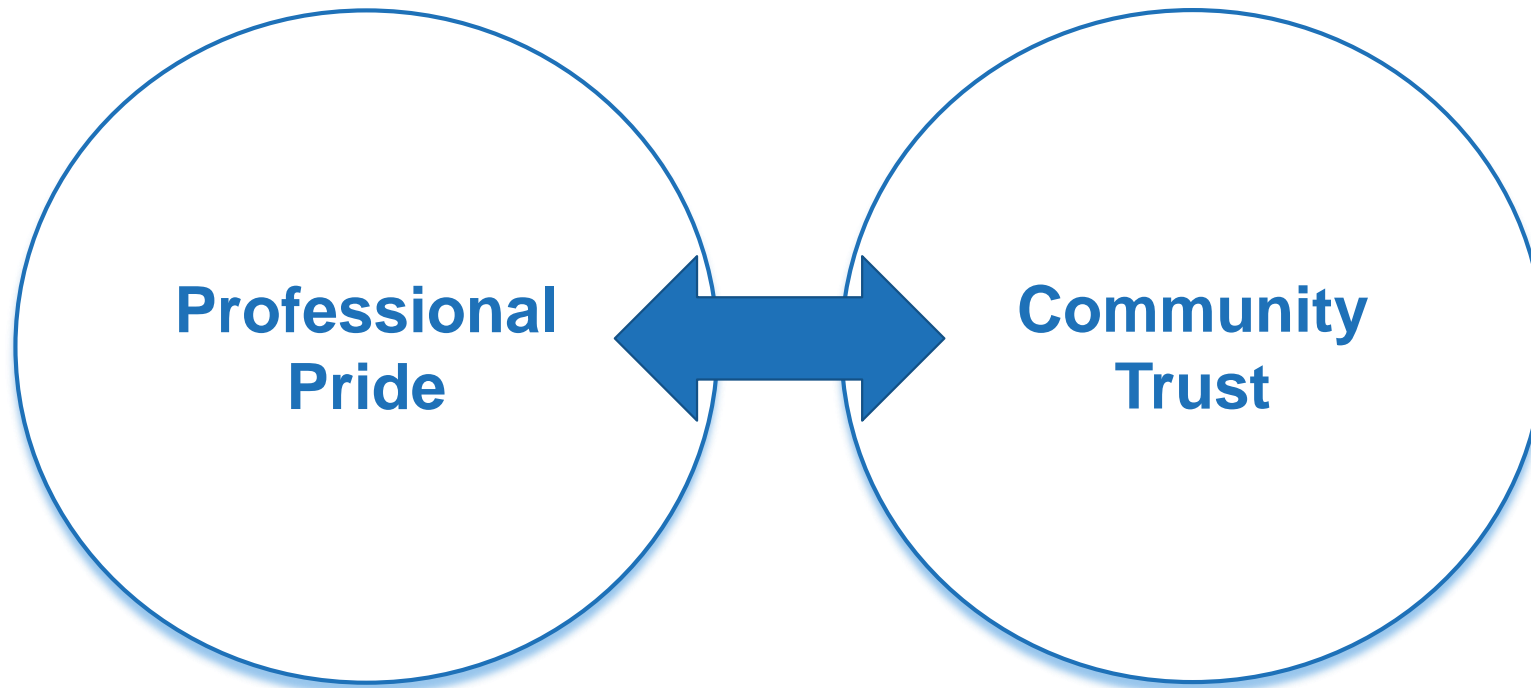


# Professional standards in banking

- ABA Council support in principle the professionalisation of banking as important to raising training and conduct standards.
- Industry working with FINSIA and stakeholders to develop best model for Australian context



# Professional standards in banking







**Questions**



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For more information:  
[www.ausbanking.org.au](http://www.ausbanking.org.au)

### **About the ABA**

With the active participation of 24 member banks in Australia, the ABA provides analysis, advice and advocacy for the banking industry and contributes to the development of public policy on banking and other financial services.

The ABA works with government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry.