

20/06/2019

Dear AFCA,

AFCA Rules Change Consultation

Change to Rule A. 14.5

Currently Rule A. 14.5 requires AFCA to publish Determinations in a form that does not identify any of the parties. The proposed change would enable AFCA to identify the financial firm but not other parties. The change to Rule A.14.5 will enable AFCA to identify financial firms in published decisions.

It is proposed that the publishing of financial firms in determinations will assist towards AFCA's requirement being committed to being open, transparent and accountable to the public.

Specifically, the identification of financial firms in published decisions is part of AFCA's new transparency measures. By displaying only the name of the financial firm and no other parties to the determination, implies the purpose is to name and shame the financial institution. If financial institutions are named in this way for determinations, it immediately implies negativity against a financial institution. For example, Better Choice manages a wholesale funded loan book of \$2.3B and if we end up having one determination against us, that is one customer in difference to the thousands of customers we have, but our name will be associated negatively in the public. Is the purpose of naming financial institutions to alert the public from using the said financial institution? As in the example, if there is one determination against a financial institution, it may sway a consumer from not dealing with that institution without the knowledge that the one determination is out of thousands of customers. The publishing of only the financial firm in determinations does not make AFCA more transparent as the rule change only implies negativity against a financial institution. It does not contribute to the purpose of publishing determinations which is to *'provide users of the AFCA scheme an idea of how similar scenarios might be viewed'*.

It is expected the reporting to ASIC should include the naming of the financial institutions and internal AFCA reporting is to include the financial institution name, however there is no requirement to publish the financial institution name publicly on the AFCA website.

Operational Guidelines

Determinations are provided to assist consumers and industry parties by providing information about AFCA's decision-making approach for previous decisions made. When reviewing and referring to determinations, the purpose is to provide information about how AFCA have assessed and awarded the complainant. The publishing of a financial firm's name does not impact the way a complaint is handled or the determination made.

The current Rule A. 14.5 is sufficient to review AFCA's decision-making approach. The proposed change to publish the financial firm's name, has no bearing on AFCA's decision-making approach which is the basis of publishing determinations.

Yours sincerely,



Head of Operations
Better Choice Home Loan