

QUDOS BANK

Dispute Resolution Policy and Procedure for Complaint Handling

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Glossary

<i>AFCA</i>	Australian Financial Complaints Authority
<i>COBCoP</i>	Customer Owned Banking Code of Practice
<i>CR Code</i>	Privacy (Credit Reporting) Code 2014
<i>EDR</i>	External Dispute Resolution
<i>IDR</i>	Internal Dispute Resolution
<i>MIP</i>	Mistaken Internet Payment
<i>NCC</i>	National Credit Code
<i>NCCPA</i>	National Consumer Credit Protection Act
<i>Policy</i>	the Dispute Resolution Policy & Procedure for Complaint Handling
§	the paragraph at that number eg §1
§§	the paragraph starting at that number and the following paragraphs eg §§1-3

Part A: Policy

Overview

1. The Mutual must have an appropriate dispute resolution process to handle complaints for the purposes of:
 - the Customer Owned Banking Code of Practice
 - *Corporations Act 2001* Chapter 7 (Financial services and markets)
 - the *National Consumer Credit Protection Act 2009* and the *National Credit Code*, in relation to:
 - hardship notices
 - postponement requests.
 - the ePayments Code
 - the *Privacy Act 1988*, the Australian Privacy Principles and the Privacy (Credit Reporting) Code 2014 (v 1.2)
 - *ASIC Act 2001* Part 2 (Consumer protection in relation to financial services)
 - its role as a mortgage manager under a securitisation arrangement, under paragraphs 165.23-165.31 of *RG 165 "Licensing: Internal and external dispute resolution"*
2. The dispute resolution process operates in two stages:
 - an internal dispute resolution (IDR) process under which the Mutual will use best efforts to resolve a Member's complaint to the mutual satisfaction of the Mutual and the Member

- failing resolution, an external dispute resolution (EDR) process under which the Member, dissatisfied with the Mutual's decision, can refer the complaint to an external body for resolution.
3. This Dispute Resolution Policy and Procedure sets out the requirements for:
- the Mutual's IDR scheme; and
 - management of the Mutual's EDR process, through AFCA.

Who can access our IDR and EDR processes?

4. The persons who can access our IDR and EDR processes are:
- members
 - persons the member has given authority to operate
 - non-members / non-customer loan applicants when the Mutual declined the application
 - guarantors of our members' consumer loans
 - any person with a privacy complaint
5. For the purposes of this Policy, reference to a Member includes reference to the persons described above who can access our IDR & EDR processes.

Scope & purpose of Dispute Resolution Policy and Procedure

6. The Dispute Resolution Policy and Procedure ('Policy') provides a process for the prevention, handling and resolution of complaints between the Mutual and its Members.
7. The purpose of this Policy is to empower our staff to:
- effectively respond to Members' complaints in a professional and timely manner
 - treat each complaint as an opportunity to retain and build a more valuable relationship with our Members.
8. The objectives of this Policy are to establish:
- an IDR process that complies with Australian Standard AS ISO 10002-2006: *Customer satisfaction – Guidelines for complaints handling in organisations* and ASIC Regulatory Guide 165 *Licensing: internal and external dispute resolution*
 - a process to record, action and resolve Members' complaints
 - a process to provide Members, dissatisfied with a decision, a referral to an external process for resolution of their complaint
 - a process to review and monitor the Mutual's performance against its policies, procedures, compliance systems and the Customer Owned Banking Code of Practice (COBCoP).

For securitisation activities

9. This policy also includes the Mutual's IDR obligations in relation to its role as mortgage manager for a securitisation body under a securitisation agreement.
10. The Mutual must notify ASIC when it enters into a servicing agreement with a securitisation body, with the body's details and the name of the body's EDR scheme. The Mutual must also advise ASIC when it ceases being a party to the securitisation arrangement.

Policy

Policy outline

11. The Mutual will establish and maintain good working relationships with its Members to more effectively prevent complaints. To that end, the Mutual will:
 - respect Members' rights to lodge a complaint whether written or verbal
 - value complaints from Members as an opportunity to enhance relationships with the Mutual
 - promote organisational improvements by identifying systemic issues or ineffective processes
 - encourage all staff to take a proactive approach to Member retention by providing a system available for staff to access and track resolution of complaints.
12. The Mutual recognises that good working relationships with its Members are based on:
 - effective and efficient complaint and dispute resolution processes
 - open and effective communication
 - good faith and respect for each other's views.

For securitisation activities

13. These procedures cover both the Mutual's and the securitisation body's activities, namely:
 - complaints that relate to the credit activities the Mutual engages in when it acts on behalf of the securitisation body
 - complaints about the conduct of the securitisation body such as a request to change the credit contract because of hardship or because the contract is unjust or unsuitable.

Effective and efficient complaint and dispute resolution process

14. The Mutual will have an effective and efficient complaint and dispute resolution process that:
 - is provided free of charge
 - is accessible
 - is documented
 - is communicated to Members and staff
 - has stated time limits for each stage of the process

- provides for review and evaluation of Members' complaints.

Open & effective communication

15. Staff should:
 - effectively communicate adequate and relevant information to the Member
 - communicate the process to the Member and agree on a timetable for communication
 - be prepared to listen to the Member's views, concerns and comments
 - try to understand the effect of the complaint on the Member
 - be patient and make allowance for any perceived disability the Member may have, such as English not being the Member's native language.
16. The Mutual will have information readily available to its Members and other interested parties in the form of an Internal Dispute Resolution Guide which provides for the following:
 - where, and to whom, complaints can be made
 - how complaints are to be made
 - information to be provided by the complainant (in order to assist in resolving the dispute)
 - the process for handling complaints
 - time periods for each stage of the complaint handling process
 - remedies available to the complainant, including EDR
 - how the complainant can obtain general feedback and progress/status report of the complaint.

Good faith

17. Staff should:
 - be committed to achieving a mutually beneficial outcome for the Member and the Mutual
 - strive to instil a sense of trust in the Member and the Mutual's processes
 - be flexible, within the context of achieving a mutually beneficial outcome
 - recognise that confidentiality may be an important concern for the Member.

IDR remedies

18. The types of remedies available to staff are:
 - offering the Member compensation
 - re-performing the particular service or function
 - correcting the particular error complained of
 - any combination of these.

Board & CEO commitment

19. The Board of the Mutual and its CEO are committed to the implementation of this Policy, as evidenced by:
 - ensuring relevant staff are aware of and educated about the Mutual's IDR procedures
 - ensuring that adequate resources are allocated to IDR
 - implementing management systems and reporting procedures to ensure timely and effective complaints handling and monitoring.

Communication

20. All relevant staff must receive a copy of this Policy.

Responsibility

21. The Disputes Resolution Specialist is the Mutual's designated IDR and EDR Manager responsible for managing the Mutual's Complaint Handling and Dispute Resolution Policy and Procedure.

Training

22. All relevant staff will receive training on this Policy. New staff, where relevant, will receive training during staff induction.
23. All relevant staff will receive refresher training on this Policy every 2 years from the date of their first training session.

Part B: Procedure

24. Staff must use their best efforts to resolve complaints to the mutual benefit of the Mutual and the Member.
25. Excluding Privacy complaints, Mistaken internet payment reports, and complaints relating to Hardship notices or Postponement Requests – if the complaint is solved by the end of the fifth business day from when it was received, staff will not be required to apply the full IDR process.

What is a 'complaint'?

26. A complaint is an expression of dissatisfaction, made to the Mutual, related to the Mutual's products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

For credit activities

27. A complaint will include:

- a member's hardship notice
- a Member's request for postponement of enforcement proceedings.

For securitisation activities – including where Mutual is acting as mortgage manager for securitisation body

28. A complaint extends to:
- a Member's complaint relating to the credit activities undertaken by the Mutual in its role as mortgage manager for the securitisation body
 - a Member's complaint about the securitisation body's conduct.

Receiving and processing the complaint

General principles

29. The Mutual does not require the Member to put the complaint in writing. In particular, a hardship notice and postponement request can be written or verbal.
30. Staff will approach the complaints-handling process with the following principles in mind:

Openness	The IDR process needs to be clearly stated for both staff and Members.
Impartiality	Staff are to remain impartial and not prejudge the complainant. Emphasis must be placed on solving the complaint and not on assigning blame. Furthermore, a complaint must not be investigated by staff who are involved in the subject matter of the complaint.
Confidentiality	The IDR process must respect the complainant's privacy in accordance with the Australian Privacy Principles.
Accessibility	The complainant may lodge a complaint at any time. The complainant must be given access to information detailing how they can make a complaint. The Mutual must make this information available in several forms to cater for most complainants, for example, larger print for those who are vision-impaired or giving the complainant access to an interpreter service in order to enable them to make a complaint. The Mutual must provide this information to the Member free of charge.

Completeness	Fact finding and talking to parties from both sides of the complaint is essential in order to verify explanations and also to properly investigate the matter.
Equitability	Everyone involved in the complaint, and its investigation, is to be treated equally and fairly.
Sensitivity	The Mutual must treat each complaint separately and on its merits. Individual differences and needs of all those concerned must be considered.
Listening	When receiving a complaint from a Member, staff must take time to listen to the Member. They must: <ul style="list-style-type: none">• be patient• acknowledge emotions• be interested in, and responsive to, what the Member has to say• be non-judgmental about what the Member has to say• remain focused on what the Member has to say• not pre-judge the Member's complaint• take care to get accurate information from the Member.

Tips on complaint handling

Complaining is not an easy thing to do for many people so it makes sense to make the Member feel comfortable about making a complaint. What a Member can tell us about the Mutual is the most reliable and inexpensive form of market research available.

Most people prefer to do business with a financial institution which can offer a guarantee of accountability in their dealings with Members. Effective complaint handling is the most visible and immediate way to demonstrate such accountability.

When a complaint is received from a Member it is important to take the time to listen, even when the Member is angry or upset. If they know that they are being listened to they will find it a lot easier to focus on the problem and a possible solution because someone has empathised with their situation.

Receiving the complaint – identifier codes

31. Each complaint must be given a unique identifier code for future access.

Acknowledging the complaint

32. Staff must acknowledge the Member's complaint by:
 - giving the Member the Mutual's IDR Guide: see §§152–153

- pointing out the Mutual's timeframe for responding to the Member's complaint.

For Mutual acting as mortgage manager for a securitisation body

33. Staff must acknowledge the Member's complaint by informing the Member of their right to complain to the EDR scheme of the securitisation body and provide them with the name and contact details for the securitisation body and its EDR scheme or directly referring the dispute to the EDR scheme of the securitisation body.

General procedure when resolving the dispute

34. The Mutual should make every reasonable effort to fully investigate the complaint. The extent of the investigation will depend on the seriousness of the complaint and reference should be made to the factors outlined in the information required to be recorded when the complaint is made.
35. The officer receiving the Member's complaint should attempt to resolve the complaint on the spot with the Member. To help achieve this, officers have authority to offer compensation, where it is appropriate, within these following delegations:

for all staff	Please refer to Qudos' Financial Adjustment Policy for further information on delegations
for Senior Managers	discretionary, subject to approval by the Executive Manager or Chief Financial Officer

36. If the complaint cannot be resolved on the spot, the officer should escalate the complaint to their team leader to investigate and provide the team leader's name and contact details to the Member. (For escalated complex complaints, the department manager may refer the complaint to the Disputes Resolution Specialist for resolution assistance).

Tip

When you have developed a clear picture about what the problem is, it is time to move into positive problem solving. This can involve:

- identifying the issues clearly
- asking the Member to suggest how they would like the problem to be sorted out
- investigating the matter so you can provide the Member with information about their problem
- deciding on a course of action and making sure it happens.

Follow up

37. The Mutual should keep the complainant informed of the progress of the complaint, especially when dealing with postponement requests and hardship notices.
38. It is critical that the complaint is followed up. There is no better way of losing a Member or making the problem seem to be worse than not responding. Even if the decision is one that the Member may not be

pleased with, they will feel better if they have been dealt with in a fair, respectful and timely manner.

Additional 'Final response' requirements

39. AFCA imposes some additional requirements for 'final response' letters. It requires that, in addition to the final response/notice requirements in the relevant section below, the final response/notice must also contain the following:
- state the timeframe which the Member has to take their complaint to AFCA
 - state that the Mutual's IDR process has concluded and that the final decision about the complaint has been made.

Documentation of IDR responses

40. All IDR responses to the Member are to be dated.
41. The Mutual will have a process to retain a copy of the IDR response to the Member and a record of when the response was sent to the Member.

Complaint-specific requirements

42. The procedures for dealing with complaints vary depending on the type of the complaint – refer to the relevant sections below:

Complaint involves...	See...
<ul style="list-style-type: none">• a hardship notice	<i>Hardship notices</i> at p9
<ul style="list-style-type: none">• a postponement request	<i>Postponement requests</i> at p14
<ul style="list-style-type: none">• a default notice	<i>Default notices</i> at p16
<ul style="list-style-type: none">• an electronic transaction	<i>ePayments</i> at p18
<ul style="list-style-type: none">• the handling of personal information	<i>Privacy</i> at p25

43. If the complaint does not fall within the above categories, refer to *Other ('general' complaints)* at §§139.

Hardship notices

Dedicated facilities for receiving hardship notices

44. The Mutual must have a dedicated telephone number and, if possible, a fax number, postal address and email address to accept and handle hardship notices.

Providing a hardship notice

45. From 1 March 2013, a member gives a hardship notice to the Mutual whenever they mention that they consider that they are, or will be unable to meet their obligations under a credit contract. The member

may say something to the effect that they are having difficulty with payments or are unable to pay.

46. Before 1 March 2013, the NCC specified requirements for a hardship application, namely:
 - the member is unable reasonably, due to illness, unemployment or other causes, to meet their obligations under the credit contract, and
 - reasonably expects to be able to discharge their obligations if the contract terms are changed in the manner sought (*below*), and
 - seeks to change the terms of the contract in one of 3 ways:
 - extend the period of the contract and reduce the amount of each payment due
 - postpone during a specified period the dates on which payments are due
 - extend the period of the contract and postpone during a specified period the dates on which payments are duewithout a change being made to the annual percentage rate(s).
47. However, consistently with the approach to hardship taken by the COBCoP, the Mutual's policy is to work with the member and consider other possible variations to the loan contract.

Recording the hardship notice

48. When recording a member's hardship notice, staff must include the following information in the record:
 - a description of the member's hardship and any relevant supporting documentation, including the member's circumstances relevant to the hardship notice
 - the specific product or products that financial assistance is requested for
 - the remedy sought or requested by the member
 - date that a response is expected, such as a progress update or that the matter is to be resolved no later than 21 days from the date of receiving the complaint (or where relevant, the appropriate timeframes for responses where the Mutual requires further information)
 - any immediate action taken on the matter.

Tips on complaint handling

After listening to the member, sometimes you may request that the member provide further information or documentation. It is important to make the member think that you are not putting up an obstacle, try to help them understand that the requested information and documents will make it easier for you to help them and come to an arrangement which accurately reflects their circumstances.

Note that the member must be allowed to give an oral hardship notice to the Mutual – you must not require them to provide a written hardship notice.

49. At this time the hardship notice should be assessed according to the following criteria:

- severity
 - the member's credit history
 - safety implications (for issues such as breach of privacy)
 - complexity
 - impact
 - need for immediate action – a hardship notice is to be treated as an urgent matter
50. From this point on, the matter should be closely monitored so the Mutual can provide an up-to-date status report to the member upon request.

Timeframes for resolving the hardship notice

51. Best efforts should be used to address the hardship notice and notify the member as soon as possible.
52. The timeframes for handling hardship applications are set out in the following tables:

Contract entered into on or before 28 February 2013

response	within one business day, preferably immediately
resolution (best practice)	within 14 days
resolution (maximum)	within 21 days after the day of receiving the hardship application

Contracts entered into on or after 1 March 2013

response	within one business day, preferably immediately
resolution (best practice)	within 14 days
no further information required from member – resolution (maximum)	within 21 days after the day of receipt of the hardship notice

**further information
required from
member –
resolution
(maximum)**

The Mutual has 21 days after receiving the hardship notice within which to require the member to provide specified information. The member must provide this information within 21 days of the date stated in the Mutual's notice.

The member **MUST** comply with the notice.

If, within the 21 days, the member:

- does not provide the requested information – the Mutual has further 7 days
- provides the information – the Mutual has a further 21 days from date of receipt of the requested information

Dealing with a hardship notice

Contract entered on or before 28 February 2013

53. After receiving the hardship application, determine whether you need further information to satisfy yourself that the member meets the hardship application requirements as set out above at §§46-47.
54. Within 21 days after the day of receiving the hardship application, the Mutual must provide the member with a written notice of the Mutual's decision.

Contract entered into on or after 1 March 2013

55. After receiving the hardship notice, determine whether there is any need to ask the member for further information or documentation.
56. The information requested must be relevant to deciding:
 - whether the member is or will be unable to meet their obligations under the contract
 - how to change the contract if the member is or will be unable to meet those obligations
57. If further information or documentation is required – provide the member the time allowed in §52 to provide it.
58. Within the relevant timeframe in §52 for handling hardship notices, assess the available information and make a determination on whether or not to grant hardship, and the terms of any hardship arrangement.
59. The Mutual need not agree to change the contract – particularly if they:
 - do not believe there is a reasonable cause for the member's inability to meet their obligations, or
 - reasonably believe that the member would not be able to meet their obligations even if there was a change

Legal or enforcement action after a hardship notice

60. While a hardship notice is being addressed, the Mutual must cease or postpone any legal proceedings or other enforcement action unless the statute of limitations is about to expire.

(Contract entered into on or after 1 March 2013) Commencing legal action after hardship notice

61. If before or after the Mutual gives a default notice, the member provides a hardship notice, and the member:
- has not provided another hardship notice in the last four months before the date of the current hardship notice, or
 - if they have given hardship notice(s) in the last four months but this current hardship notice relates to materially different reasons from the others provided,
- the Mutual must not begin enforcement proceedings unless:
- the Mutual has given the hardship rejection notice in §63 in response to the current hardship notice, to the member, stating that the Mutual and member have not agreed to change the credit contract, and
 - a period of 14 days beginning on the day the §63 hardship rejection notice was given, has expired.
62. Despite the above, the Mutual may take possession of mortgaged goods if it reasonably believes that:
- the member or mortgagor has or intends to remove/dispose of the mortgaged property without the Mutual's permission, or
 - urgent action is necessary to protect the goods.

Communicating the decision

Notice of decision

63. The Mutual must provide, within the relevant timeframe at §52, a written notice to the member in the form (if any prescribed by the regulations) stating:

***for an agreement
to vary contract ...***

- the Mutual and member have agreed to change the contract
- informing the member of their right to complain to EDR
- the name and contact details of the Mutual's EDR scheme

for a rejection of hardship notice...

- the Mutual and member have not agreed to change the contract,
- the reasons why they have not agreed,
- inform the member of their right to complain to EDR
- the name and contact details of the Mutual's EDR scheme and the member's rights under the scheme.

Notice of changes to contract

64. Where the Mutual has agreed to vary the contract, the Mutual must, within 30 days of the date of agreement, provide a written notice to the member and any guarantor under a guarantee related to the contract. The notice must contain:
- particulars of the change in the terms of the contract,
 - any information required by regulations
 - Member's right to complain to EDR
 - name and contact details of the Mutual's EDR scheme
65. Practically, the notice of the particulars of the changes to the member would be incorporated in the notice of the decision to the member at §63.

Postponement requests

Recording the complaint

66. A Member's complaint may include a postponement request, which can be made orally or in writing.
67. A postponement request can only occur after the Mutual has issued a default notice or demand for payment, and the debtor, mortgagor or a guarantor requests that the Mutual negotiate a postponement of the enforcement proceedings. The Member must make the postponement request before the end of the period specified in the default notice or demand for payment.
68. When recording the Member's request, staff must include the following information in the record:
- details on the requested postponement and any relevant supporting documentation
 - date that a response is expected, such as a progress update or that the matter is to be resolved no later than 21 days
 - any immediate action taken on the matter.
69. At this time the postponement request should be assessed according to the following criteria:
- severity
 - safety implications (for issues such as breach of privacy)
 - complexity

- impact
 - need for immediate action – note that a postponement request is to be treated as an urgent matter
70. From this point on, the matter should be closely monitored in order to enable the Mutual to provide an up-to-date status report to the Member upon request.

Timeframes for handling the request

71. Best efforts should be used to address the postponement request and notify the Member as soon as possible.
72. The timetable for handling postponement requests should be:

response	within one business day, preferably immediately
resolution (best practice)	within 14 days
resolution (maximum)	within 21 days after the day of receiving the postponement request

Legal or enforcement action after a postponement request

73. While a postponement request is being addressed by the Mutual, the Mutual must cease or postpone any legal proceedings or other enforcement action unless the statute of limitations is about to expire.
74. For a contract, mortgage, or guarantee entered into on or after 1 March 2013, if the debtor, mortgagor, or guarantor has given a postponement request, the Mutual must not begin enforcement proceedings unless:
- it has given to the Member the notice in §76 responding to the postponement request, and
 - a period of 14 days after the above notice was given has expired.
75. Despite §74 above, the Mutual may take possession of mortgaged goods if it reasonably believes that:
- the member or mortgagor has or intends to remove/dispose of the mortgaged property without the Mutual's permission, or
 - urgent action is necessary to protect the goods.

Communicating the decision

Notice of decision

76. The Mutual must provide, within 21 days after the day of receiving the postponement request, a written notice to the Member that states:

<p><i>for an agreement to negotiate a postponement ...</i></p>	<ul style="list-style-type: none"> • that the Mutual agrees to negotiate a postponement, and • informing the Member of their right to complain to EDR • the name and contact details of the Mutual's EDR scheme
<p><i>for a refusal to negotiate a postponement ...</i></p>	<ul style="list-style-type: none"> • that the Mutual does not agree to negotiate a postponement, • reasons for not agreeing to negotiate • the Member's right to complain to EDR • the name and contact details of the approved EDR scheme • the Member's rights under the EDR scheme

Notice of conditions of postponement

77. Within 30 days of reaching an agreement on the postponement, the Mutual must provide a written notice to the Member setting out:
 - the conditions of postponement – including the condition that the mortgagor must pay the Mutual's reasonable costs of taking possession if the postponement has been negotiated with the Mutual after they have taken possession of property subject to a mortgage
 - that if any of the conditions of a postponement are not complied with – the Mutual is not required to give a further default notice under the NCC to the debtor, mortgagor, or guarantor with whom the postponement was negotiated before proceeding with enforcement proceedings
 - Member's right to complain to EDR
 - name and contact details of the Mutual's EDR scheme
78. Practically, the notice of the postponement conditions could be incorporated in the notice of decision to the member at §76.

Default notices

Recording the dispute

79. When recording a Member's complaint, staff must include the following information in the record:
 - a description of the complaint and any relevant supporting documentation
 - details of the default notice sent (date, reference number, contact, relevant loan facility)
 - the remedy sought or requested by the Member
 - date that a response is expected, such as a progress update or that the matter is to be resolved no later than 21 days

- information on involved parties to the complaint, namely, people, departments, branches etc
- any immediate action taken on the matter.

Tips on complaint handling

After listening to the Member, sometimes you may require that the Member put their complaint in writing because of the nature of the problem. It is important to make the Member think that you are not putting up an obstacle, try to help them understand that a letter will make it easier for you to help them and accurately respond to their issues of concern.

80. At this time the complaint should be assessed according to the following criteria:
- severity
 - safety implications (for issues such as breach of privacy)
 - complexity
 - impact
 - need for immediate action.
81. From this point on, the matter should be closely monitored so the Mutual can provide an up-to-date status report to the Member upon request.

Timeframes for handling the dispute

82. The Mutual must use best efforts to resolve a Member's complaint and notify the Member as soon as possible, in accordance with the following timeframe:

response	within one business day, preferably immediately
resolution (best practice)	within 14 days
resolution (maximum)	within 21 days of receipt of default notice dispute

Legal or enforcement action after complaint about default notice

83. The Mutual must cease or postpone any legal proceedings or other enforcement action (unless the statute of limitations is about to expire) until final resolution of the default notice dispute and for, as is recommended, 14 days after the final response at §84 - 86.

Communicating the decision

84. The Mutual must provide the Member with a final response in writing within 21 days of receiving the complaint.
85. The Mutual does not need to provide a written final response when a complaint is resolved to the Member's satisfaction by the end of the fifth business day after the complaint was received and the Member has not requested a written response, unless the complaint relates to an exception at §25 such as a hardship notice or postponement request.

86. The Mutual's final response must include the following:

where the complaint is accepted

- the final outcome of the complaint
- the Member's right to take the complaint to EDR
- the name and contact details of the Mutual's EDR scheme

where the complaint is rejected

- the final outcome of the complaint, carefully detailing;
 - the decision
 - the reasons for the decision
 - a statement which explains the evidence relied upon for the decision and the availability of such evidence if required by the Member
 - the consequences of the decision
 - the Member's right to complain to the Mutual's EDR scheme
 - the name and contact details of the EDR scheme.
-

ePayments

Mistaken internet payment report

Mistaken internet payments

87. The ePayments Code requires all subscribers to provide (free of charge or no more than the cost of a local call) an effective and convenient process for users to report mistaken internet payments.
88. Mistaken internet payments (MIP) are those made under a 'Pay Anyone' internet banking facility and processed by the Mutual through direct entry where the funds are paid into the account of an unintended recipient because the Member enters or selects a BSB and/or account number that is incorrect (as a result of the Member's error or the Member being advised of the incorrect BSB/account number).

Exclusions from MIP

89. Payments made using BPAY are excluded from the MIP regime.

Acknowledging receipt of a MIP report

90. The Mutual must acknowledge receipt of every report of a MIP, including reports made by phone.
91. The acknowledgment does not have to be in writing, but must enable a Member to verify that they have made a report and when it was made – eg. by providing the Member with a reference number.

Timeframes for handling the MIP

92. For a report about a mistaken internet payment, the timeframe is:

response	within one day of receipt of the report, preferably immediately
return of recovered funds	as soon as practicable
outcome communicated – mistaken internet payments (best practice)	within 21 days of the day the report is made
outcome communicated – mistaken internet payments (maximum)	within 30 business days of the day the report is made

Investigation requirements and returning of funds

Mutual as the ‘sending ADI’

93. If the funds were sent from a Mutual account, the Mutual must investigate whether a MIP has occurred.

If the Mutual is...	then...
<i>satisfied that a MIP has occurred</i>	<ul style="list-style-type: none"> • the Mutual must send the receiving ADI a request for the return of the funds; and • the receiving ADI must within 5 business days: <ul style="list-style-type: none"> ▪ acknowledge the request for the return of the funds; ▪ advise the Mutual whether there are sufficient funds in the account of the unintended recipient to cover the MIP. • the Mutual must credit any recovered funds to the member’s account as soon as practicable • the Mutual must inform the Member of the outcome as in §98.
<i>not satisfied that there has been a MIP</i>	<ul style="list-style-type: none"> • the Mutual is not required to take any further action • the Mutual must inform the Member of the outcome as in §98.

The Mutual as the 'receiving ADI'

94. If the Mutual (receiving ADI) receives a request from the sending ADI for the return of funds, the Mutual must, within 5 business days:
- acknowledge the request for the return of the funds;
 - advise the sending ADI whether there are sufficient funds in the account of the unintended recipient to cover the MIP.
95. If the funds received are available, the Mutual must take action as shown in the table below:

MIP report is made ...	Action the Mutual as receiving ADI must take ...
<p>within 10 business days of payment being made</p>	<p>If the Mutual is <u>satisfied that a MIP has occurred</u> – return funds to the sending ADI within 5 business days of receiving the request, if practicable, or up to a maximum of 10 business days if reasonably necessary</p> <p>If the Mutual is <u>not satisfied that a MIP has occurred</u> – seek the consent of the unintended recipient to return the funds to sender.</p>
<p>between 10 business days and 7 months of payment being made</p>	<p>The Mutual must complete its investigation into the reported MIP within 10 business days of receiving a request.</p> <p>If the Mutual is <u>satisfied that a MIP has occurred</u> –</p> <ul style="list-style-type: none"> • freeze the funds for 10 further business days and • notify the recipient that the funds will be withdrawn from the account if they fail to establish they are entitled to them within the 10 business days • if the recipient does not establish they are entitled to the funds within the 10 business days – the Mutual must return the funds to the sending ADI within 2 business days after the 10 business day period expires <p>If the Mutual is <u>not satisfied that a MIP has occurred</u> – seek the consent of the unintended recipient to return the funds to the sender</p>

made after 7 months of payment being made

If the Mutual is:

- satisfied that a MIP has occurred – must seek consent of unintended recipient to return the funds
- not satisfied that a MIP has occurred – may seek consent of the unintended recipient to return the funds

If the unintended recipient consents to returning the funds, the Mutual must return the funds to the sending ADI, who must return the funds to the member as soon as practicable.

MIP and Code of Operation for Centrelink Direct Credit Payments

96. If the unintended recipient of the MIP is receiving income support payments from Centrelink, the Mutual, being the receiving ADI, must recover the funds according to the Code of Operation for Centrelink Direct Credit Payments.

Funds are not available

97. Where the sending and receiving ADI are satisfied that a MIP has occurred but there are insufficient funds in the recipient's account, the Mutual as the receiving ADI must use reasonable endeavours to retrieve the funds from the unintended recipient – for example by instalments.

Communicating the outcome

98. Where the Mutual is the sending ADI, they are required to notify the Member of the outcome of the reported MIP. The notification must be:
- in writing, and
 - within 30 business days of the day on which the report is made.
99. Members should also be made aware of their right to complain to the Mutual or to the Mutual's EDR scheme as noted at §§100–102.

Complaints about a MIP report

Mutual is sending ADI

100. Where the Mutual (the sending ADI) receives a complaint from a Member (who has made a MIP report) about how their MIP report was dealt with – eg. that the sending and/or receiving ADIs:
- were not satisfied that a MIP has occurred, or
 - failed to comply with the processes and timeframes set out in the ePayments Code
- the Mutual:
- must deal with the complaint under its IDR procedures under §104, and
 - must not require the Member to complain to the receiving ADI.

101. If the Member is unhappy with the outcome of the complaint, they must be able to complain to the Mutual's EDR scheme.
102. If the Mutual is unable to return the funds to its member because the unintended recipient of a MIP does not cooperate, the Member must be able to complain to the Mutual's EDR scheme.

Mutual is receiving ADI

103. If a complaint is made to the sending ADI's EDR scheme – the Mutual, as the receiving ADI, must also cooperate with the sending ADI's EDR scheme. This includes complying with any decision of that scheme.

Complaints about ePayment transactions (other than Mistaken internet payments)

Recording the complaint – ePayment transactions

104. If the complaint is about an unauthorised ePayment transaction, make a record of:
 - the type of facility
 - where relevant, an identifier (ie a reference number for the transaction)
 - the type of device (card) and/or pass code used to perform the transaction
 - name and address of the holder
 - the name of the other user(s)
 - whether a device (card) used to perform the transaction was signed by the user
 - whether a device (card) was lost, stolen or misused or the security of the pass code was breached and if so:
 - the date and time of the loss, theft misuse of the device (card), or breach of pass code security
 - the date and time the loss, theft or misuse of the device (card), or breach of pass code security, was reported to the Mutual
 - the date, time and method of reporting the loss, theft or misuse of the device (card), or breach of pass code security, to the police
 - where one or more pass codes were required to perform transactions, whether the user recorded the pass code(s), and if so:
 - how the user recorded the pass code(s)
 - where the user kept the record
 - whether the record was lost or stolen, and if so, the date and time of the loss or theft
 - where one or more pass codes were required to perform transactions, whether the user had disclosed the pass code(s) to anyone
 - details of where and how the loss, theft or misuse of a device, or breach of pass code security, occurred (for example, housebreaking, stolen wallet)

- details of the transaction to be investigated, including:
 - a description
 - the date and time
 - the amount
 - the type and location of electronic equipment used
 - details of any surrounding circumstances
 - any steps taken by the user to ensure the security of any device or pass code(s) needed to perform transactions that the user considers relevant to the liability of the holder
 - details of the last authorised transaction performed using the facility.
105. At this time the complaint should be assessed according to the following criteria:
- severity
 - safety implications (for issues such as breach of privacy)
 - complexity
 - impact
 - need for immediate action
106. From this point on, the matter should be closely monitored so the Mutual can provide an up-to-date status report to the Member upon request.

Timeframes for handling the complaint

107. For ePayment complaints, the timeframe is: ** see note

response	within one day of receiving the complaint, preferably immediately
cooperation between subscribers (responding to request for further information)	within 15 days of request for information from other subscriber, unless exceptional circumstances apply
resolution (best practice)	within 21 days of receiving a complaint
notice of extension for resolution	if the investigation has not been completed within 21 days of receipt of the complaint, advise the Member in writing of the need for more time to complete the investigation
resolution (maximum)	within 45 days of receipt of the complaint, unless there are exceptional circumstances

** If the Mutual seeks to resolve a complaint about a credit card, scheme debit card or charge card subject to the rules of the card scheme, the time frames above do not apply. Instead, the rules of the particular card scheme will apply, for example, the Visa Claims Resolution.

Requirements where complaint covered by card scheme rules

108. Where the complaint is being resolved under a particular card scheme's rules, the Mutual must follow the timeframes under the rules of that particular card scheme instead of those at §107.
109. The Mutual must:
 - inform the Member in writing of:
 - the relevant timeframes (under the card scheme's rules)
 - when the Member can reasonably expect a decision
 - suspend the member's obligation to pay any amount which is the subject of the complaint and any credit and other charges related to that amount, until the complaint has been resolved, and inform the member of this.
110. If the Mutual is unable to resolve a complaint being investigated under a particular card scheme's rules within 60 days, it must give the Member:
 - the reason for the delay
 - updates on progress with the complaint once every 2 months; and
 - the date when the Member can reasonably expect a decision, unless the Mutual is waiting for a response from the Member and has advised them that it requires their response

Investigation requirements

111. The Mutual must respond to requests for information from other subscribers to the ePayments Code within 15 days unless there are exceptional circumstances.
112. If the matter is being resolved under a separate card scheme's rules, then the 15 day requirement does not apply.

Communicating the decision

113. The Mutual must tell the Member of:
 - the outcome of the complaint and
 - the reasons for the outcome – including references to the relevant clauses of the ePayments Code
 - inform the Member of their right to take their complaint to EDR
 - the name and contact details of the Mutual's EDR scheme
114. The Mutual must give the Member written notice including the information at §113 of the outcome of the complaint within the appropriate timeframe in §107 or the timeframe of the particular card scheme rules that the Mutual is resolving the complaint under.
115. The Mutual is not required to give the Member written notice of the outcome where the complaint is settled to the Member's complete satisfaction within 5 business days, unless the Member requests a written response.

Privacy

Dedicated facilities for receiving privacy complaints

116. The Mutual should have a dedicated position title, telephone number and email address and, if possible, a fax number and postal address to accept and handle privacy complaints.

Providing a privacy complaint

117. When a complaint is made, before processing it as a privacy complaint, staff must make the following preliminary assessments:

- the complaint must concern:
 - the Mutual's handling of an individual's personal information
 - the Member's request for a correction of their personal information.

Note: Where the Mutual holds at least one item of credit-related personal information about the individual, the Mutual must deal with that individual's correction request even if the Mutual does not hold the particular item of information that the individual is seeking to have corrected.

- the complainant must be either:
 - the individual (whose personal information has allegedly been mishandled) themselves
 - a representative of the individual or somebody with authority to act for the individual whose personal information the complaint is about – staff must clarify the complainant's authority to act for the individual. Continuing without the proper authority may result in the Mutual accidentally disclosing personal information
 - the complaint must be one to which the Privacy Act applies – for example:
 - Australian Privacy Principle issues – including:
 - collection of personal (including sensitive) information
 - use and/or disclosure of personal information
 - accuracy of personal information
 - security of personal information
 - refusal to give access to personal information
 - refusal to correct personal information
 - other interferences with the complainant's privacy under the Privacy Act – including breaches of Part IIIA (Credit Reporting) of the Privacy Act, and of the CR Code ("credit reporting complaints")
118. Staff must request any further information from the complainant as required, so they can be satisfied in making their preliminary assessment.
119. If the complaint is one which should be made to the Commissioner, the Mutual should provide the complainant with the relevant contact details.

120. If staff assesses the complaint as not a privacy complaint – best efforts should be made to deal with the complaint under the Mutual's other IDR complaint categories: see table at §42.

Recording the privacy complaint

121. When recording a complaint, staff must include the following information in the record:
- a description of the complaint and any relevant supporting documentation, including details of the specific practice complained about and the relevant product (if any).
 - the provision in the Privacy Act which has allegedly been breached and any other relevant privacy obligations and legislative exceptions
 - the remedy sought or requested by the complainant
 - date that a response is expected, such as a progress update or that the matter is to be resolved no later than 30 days from the date of receiving the complaint
 - information on involved parties to the complaint, namely, people, departments, branches etc
 - any immediate action taken on the matter.

Tips on complaint handling

After listening to the complainant, sometimes you may require that the complainant put their complaint in writing because of the nature of the problem. It is important to make the complainant think that you are not putting up an obstacle, try to help them understand that a letter will make it easier for you to help them and accurately respond to their issues of concern.

122. At this time the complaint should be assessed according to the following criteria:
- severity
 - safety implications (for issues such as breach of privacy)
 - complexity
 - impact
 - need for immediate action.
123. From this point on, the matter should be closely monitored so the Mutual can provide an up-to-date status report to the complainant upon request.

Acknowledging the complaint

124. Staff must acknowledge the complaint by:
- advising the complainant of the Mutual's understanding of the conduct complained about, and the privacy obligations at issue (eg. APP 3)
 - advising the complainant that an investigation is being conducted (if appropriate)
 - provide the name, contact details and title of the staff member handling the complaint and note how the staff member is independent of the person responsible for the conduct in the complaint

- (if not already recorded) requesting the complainant outline the outcome they are expecting
 - giving the complainant the Mutual's Guide: see §§152–153
 - pointing out the Mutual's timeframe for responding to the complaint, and when the complainant will be contacted next.
125. If the complaint is about a breach of the Privacy Act credit reporting provisions (Pt IIIA) or the Credit Reporting Code ("credit reporting complaint"), the Mutual must acknowledge the complaint within 7 days by giving the complainant a written notice:
- acknowledging the making of the complaint, and
 - setting out how the Mutual will deal with the complaint.

Generally, good practice dictates that the Mutual will have provided this response within one business day.

Investigating the complaint

126. When processing the complaint, staff should investigate:
- whether the alleged conduct occurred
 - what the relevant privacy obligations are
 - whether it breached any privacy obligations – eg. Privacy Act
127. The Mutual must investigate all "credit reporting complaints".

Timeframes for handling the complaint

128. The timetable for handling privacy complaints should be:

response	within one business day, preferably immediately* <small>see note</small>
resolution (best practice)	within 14 days
resolution (maximum)	within 30 days of the day the complaint is made, or longer if the complainant has agreed to it in writing

* For complaints about credit reporting breaches as noted in §125, the Privacy Act specifies that the maximum response timeframe is 7 days.

Credit reporting complaint – consultation requirements

129. When dealing with complaints about a breach of Part IIIA (credit reporting) of the Privacy Act or the CR Code, if the Mutual considers it necessary to consult a credit reporting body or credit provider about the complaint in order to make a determination about the complaint, the Mutual must consult the body or provider.

Request to correct personal information

130. If the Mutual is satisfied that the personal information is inaccurate, out-dated, incomplete, irrelevant or misleading, the Mutual must take reasonable steps to correct the information within 30 days of the request being made (or longer as agreed to in writing).
131. Reasonable steps are:

- correcting the credit information,
- taking reasonable steps to ensure that any future derived information is based on the corrected credit information,
- taking reasonable steps to ensure that any derived information based on the pre-corrected credit information is not disclosed or used for assessing the individual's creditworthiness.

Communicating the decision

132. If possible, the complainant should be called first, and then the decision should be confirmed in writing as soon as reasonably practicable, but within 5 business days of the Mutual's decision.
133. The Mutual must give written notice of its decision within 30 days of the complaint containing the following:
- setting out the decision* ^{see note} (including the details about the information relied upon in developing the response)
 - (if appropriate) apologise for breaching your privacy obligations
 - stating that, if the individual is not satisfied with the decision, the individual may:
 - access a recognised EDR scheme of which the Mutual is a member; or
 - make a complaint to the Commissioner under Part V
 - setting out the name and contact details of the EDR Scheme and Commissioner
- * If the response is a refusal to correct personal information as per the complainant's request for correction – when setting out the decision, the Mutual should state that:
- the correction has not been made; and
 - set out their reasons for not correcting the information (including evidence substantiating the correctness of the information)
134. The OAIC recommends that this written response invite the individual to reply to your response, and where appropriate, offer a discussion or meeting.
135. If the decision is to correct information:
- the written notice to the complainant must also:
 - include the relevant information held by the Mutual – so that the individual can check it has been appropriately corrected
 - inform the individual that they have a right under the CR Code to obtain their credit reporting information from a Credit Reporting Body free of charge if the access request relates to a decision by a Credit Reporting Body or a Credit Provider to correct information about the individual
 - explain how the individual's right to obtain their credit reporting information may be exercised
 - list the Credit Reporting Bodies, Credit Providers and information recipients that the Mutual will be notifying of the correction – this list will consist of the following:

- Credit Reporting Bodies from whom the Mutual received the pre-corrected information
 - Credit Reporting Bodies to whom the Mutual disclosed the pre-corrected information
 - Credit Providers from whom the Mutual received the pre-corrected information
 - Credit Providers and information recipients to whom the Mutual has disclosed the pre-corrected information within the previous 3 months
 - ask the individual if there are any other Credit Providers or information recipients (eg. mortgage insurers) that the individual would like to be notified of the correction
 - as soon as reasonably practicable but within 7 business days of the correction, a written notice of the correction* ^{see note} must also be given to the Credit Reporting Bodies, Credit Providers and other information recipients it identified in its notice to the complainant, any parties consulted at §129 and any other parties the complainant nominates.
- * Note that where the Mutual disclosed information derived from the pre-corrected information to a Credit Provider or information recipient, the written notice of correction must include updated derived information based on the corrected information.

Notification requirements when dealing with complaints about failure to correct information

136. When a Mutual receives a complaint about

- either:
 - the Mutual's failure to correct inaccurate, out-dated, incomplete, irrelevant, or misleading information about an individual; or
 - where the Mutual has disclosed the incorrect information to a 3rd party, the Mutual's failure to provide a notice of correction to the recipients;
- and
- the complaint relates to:
 - credit reporting information that a credit reporting body holds, or
 - credit information or credit eligibility information that another credit provider holds

the Mutual must notify, in writing:

- Credit Reporting Bodies and Credit Providers from whom the Mutual received the information
- Credit Reporting Bodies and Credit Providers to whom the Mutual disclosed the information within the previous 3 months
- any other Credit Provider the complainant nominates

of the following:

- the making of the complaint
- the decision about the complaint

as soon as practicable after they are made.

137. If the Mutual discloses personal information to which the complaint relates before a decision on it is made – then, at the time of disclosure, the Mutual must, in writing, notify the recipient of the information of the complaint.
138. The notification requirements at §§136-137 do not apply to the Mutual if giving such notifications are impracticable, or there is a court order or law requiring the Mutual not to give the notice.

Other ('general' complaints)

Recording the complaint

139. When recording a Member's complaint, staff must include the following information in the record:
 - a description of the complaint and any relevant supporting documentation
 - the remedy sought or requested by the Member
 - the specific product or practice complained about, for example, a particular aspect of an account or customer service
 - date that a response is expected, such as a progress update or that the matter is to be resolved no later than 45 days from the date of receiving the complaint
 - information on involved parties to the complaint, namely, people, departments, branches etc
 - any immediate action taken on the matter.

Tips on complaint handling

After listening to the Member, sometimes you may require that the Member put their complaint in writing because of the nature of the problem. It is important to make the Member think that you are not putting up an obstacle, try to help them understand that a letter will make it easier for you to help them and accurately respond to their issues of concern.

140. At this time the complaint should be assessed according to the following criteria:
 - severity
 - safety implications (for issues such as breach of privacy)
 - complexity
 - impact
 - need for immediate action.
141. From this point on, the matter should be closely monitored in order to enable the Mutual to provide an up-to-date status report to the Member upon request.

Timeframes for handling the complaint

142. Best efforts should be used to resolve a Member's complaint and notify the Member as soon as possible.
143. The timeframe for handling complaints should be:

response	within one business day of receiving the complaint, preferably immediately
resolution (best practice)	within 14 days of receipt of the complaint
resolution (maximum)	within 45 days of receipt of the complaint ** see note

** Note that the 45-day time frame begins from the date that the complaint is received and does not re-commence if the Mutual obtains further information during the investigation of the complaint.

Communicating the decision

144. The Mutual must provide the Member with a final response in writing within 45 days of receiving the complaint.
145. The Mutual does not need to provide a written final response when a complaint is resolved to the Member's satisfaction by the end of the fifth business day after the complaint was received and the Member has not requested a written response, unless the complaint relates to an exclusion as at §25.
146. The Mutual's final response must include the following:

where the complaint is accepted	<ul style="list-style-type: none">• the final outcome of the complaint• the Member's right to take their complaint to EDR• the name and contact details of the Mutual's EDR scheme
where the complaint is rejected	<ul style="list-style-type: none">• the final outcome of the complaint, carefully detailing:<ul style="list-style-type: none">▪ the decision▪ the reasons for the decision▪ a statement which explains the evidence relied upon for the decision and the availability of such evidence if required by the Member▪ the consequences of the decision• the Member's right to take their complaint to EDR• the name and contact details of the EDR scheme.

Unresolved complaints or complaints not resolved within appropriate timeframes

147. The Member must be told that they can pursue their complaint through EDR if the complaint remains unresolved after IDR, or if it is

not resolved within the appropriate timeframe listed above for the particular complaint.

148. If the complaint is not resolved within the appropriate timeframe listed above, the Member must, before the end of that timeframe:
- be informed of the status of the complaint or dispute,
 - be informed of the reasons for the delay
 - be informed of the expected timeframe for resolution of the matter
 - be advised of their right to complain to EDR
 - be provided with the name and contact details of the relevant EDR scheme
149. The Member must also be given a brochure with the name and contact details of the Mutual's EDR scheme, and explaining the EDR scheme and how to access it.

Referral to EDR

150. If the Member informs staff that they want to refer the Mutual's decision to the Mutual's EDR scheme, staff must:
- give the Member the Mutual's Guide to its EDR Scheme
 - refer the complaint to the Mutual's Disputes Resolution Specialist) for further action, in accordance with the procedures.

For securitisation activities

151. If the Mutual is unable to resolve a dispute between the Member and the securitisation body, the Mutual must either:
- inform the Member of their right to complain to the securitisation body's EDR scheme and provide them with the scheme's contact details; or
 - directly refer the dispute to the securitisation body's EDR scheme.

Guide to the Mutual's IDR and EDR process

152. The Mutual's Guide to the Mutual's internal and external dispute resolution systems must be made available to Members at the Mutual's branches and agencies and available on the Mutual's internet site.
153. Staff must give Members a copy of the Guide:
- on request
 - when receiving a complaint
 - when communicating the Mutual's decision on a complaint to the Member.

Membership of EDR process

154. As required by the Mutual's Australian Financial Services and Credit Licence, the Mutual is a member of the Australian Financial Complaints Authority.
155. The Disputes Resolution Specialist is the Mutual's designated EDR Manager responsible for managing the Mutual's relationship with the Australian Financial Complaints Authority.

Complaints monitoring and reporting

156. The Disputes Resolution Specialist will maintain a central register of complaints.
157. The Mutual will review complaints so as to continually monitor its performance against policy and compliance systems. The Mutual's Compliance Officer will:
 - review all complaints to assess whether there are any systematic or recurring patterns
 - identify the underlying causes of these complaints, particularly if those causes relate to:
 - non-compliance with consumer protection laws or the Mutual's Conditions of Use for the relevant product or service
 - any failures in the Mutual's systems and procedures
 - liaise with managers responsible for the relevant systems and procedures to identify any remedial action
 - report such failures and recommended remedial action to the Audit Committee, quarterly.

Review of Policy

158. The Disputes Resolution Specialist will review this Policy every 2 years, with input from all managers.

Audit of the dispute resolution process

159. The Internal Auditor will carry out an annual audit of compliance with this Policy. In addition, the Internal Auditor will monitor whether the IDR timeframes are being observed, particularly finalisation of complaints within 45 days (or within a shorter timeframe as required for hardship, postponement, default notice complaints, certain ePayments complaints or privacy complaints).

Dispute Resolution Policy & Procedure for Complaint Handling

Policy number	Version 1		Yvonne Coveney
Policy adopted	1 December 2018.	Qudos Bank adopted this policy from DB Legal's original policy.	Yvonne Coveney
Policy amended	13 February 2019	Amended 'EDR Manager' to 'Disputes Resolution Specialist'	Yvonne Coveney
Related policies	Qudos Bank's Financial Adjustment Policy.		Yvonne Coveney