

# Joint account owner disputes

from compliance, credit control + legal

## What's counted as a "dispute"?

The funds or debt held in a joint account are owned jointly and individually by two or more owners. So when something happens between the owners (which could potentially result in a disagreement on how the funds in the account are used) we see this as a "dispute" between joint account owners. Typical examples\* are:

- > relationship break down,
- > separation, or
- > divorce proceedings.

\*Remember that parties may be emotionally volatile (as they're going through a tough time), so using soft skills and empathy is very important!

## What should I do when a member tells me about a dispute?

When we've been told about a dispute between joint account owners, we should:

1. **immediately restrict** all joint accounts held in the names of the disputing account owners (including restricting redraw access, internet access for joint accounts and any child accounts where both parents are signatories),
2. **review** the transactions of the joint accounts to see whether there are any direct debit or credit arrangements that may be affected by the restriction,
3. **inform all account owners**, by telephone and in writing that:
  - > we have been advised of a dispute between joint account owners,
  - > the account/s will be restricted until we receive written instructions from each account owner to remove the restriction, and whether the account/s should be "both to sign" or "either to sign",
  - > the restriction will stop any direct debits set up on the account but will allow direct credits (i.e. salary). This means that members must make alternative arrangements for their salary crediting or direct debits, and
  - > until we receive written instructions from both account owners (as stated above) we'll need "both to sign" for all withdrawals on the restricted joint accounts,
4. **Send a request to Transactional Services** to ensure **Separate Statements** are being sent to each joint owner of the accounts.

- > Each joint owner should receive a separate statement addressed to themselves i.e. **Mary and John Smith** will now receive a statement in separate names

Statement 1 [**Mary Smith**] Joint owner 1

Statement 2 [**John Smith**] Joint owner 2

- > The statements must be issued to each joint owner via their preferred statement method (online or via post)
- > The correct mailing address must be provided by each joint owner in writing or email

## 5. record your interactions by:

- > placing pop up notes in Phoenix on **both memberships** to ensure all staff members are aware. The note should state the joint account numbers that have been restricted,
- > entering Prosper Notes for all interactions and conversations, and
- > recording emails and letters in Prosper or Bizedocs.

## When can I unrestrict the account?

Normally, you'll be able to remove the restriction when you receive the appropriate written instructions from all the account owners. However, there may instances where legal documents (such as sealed Court Orders or agreements) are produced, requiring us to lift the restriction. You should always refer these to your supervisor.

## If a party needs money for living expenses?

Sometimes one of the account owners asks for access to funds for living expenses (i.e. food and rent). All requests should be considered and not rejected just because the accounts are restricted. You should refer the request to your supervisor who may then refer the request to **Compliance** for investigation.

## What if I need help?

Speak to your supervisor first. Any investigation of transactions etc. can be referred to **Compliance** for assistance. Law-related questions can be directed to **Legal** and for **hardship**, see below.

## What if we have a joint loan account?

If a joint account which makes repayments to a joint loan is restricted:

- > When frontline staff call/write to each party to explain the accounts have been restricted, they must also explain that the restrictions will stop repayments being made to the loan and they must provide us with

matching instructions or make alternative arrangements to repay the loan, or arrears and dishonours may incur, and

- If a party responds with a “hardship trigger” then it must be referred to Credit Control straight away.

Where a repayment is not made, dishonour fees are automatically calculated and charged to the saving account set up to repay the loan. If disputing joint borrowers have a reasonable excuse for not making the repayment or out of goodwill, we may refund the dishonour fee. This is on a case by case basis and each matter is taken based on its merits. Please also be aware that Credit Control will not transfer funds from the members restricted accounts on their behalf.

## Can a dispute trigger hardship?

Yes. Under the National Credit Code (**Code**), if a borrower lets us know, verbally or in writing, that they're unable to meet their loan repayment obligations, we may be required to conduct a hardship assessment and provide an arrangement if we decide it is appropriate (there is no guarantee of hardship being provided).

One such situation where our hardship obligations may arise, is when joint loan borrowers notify us of a dispute or that they're going through a separation or divorce.

If we're notified of a dispute between joint loan borrowers, we should follow the above procedure, but also:

1. see whether the account is in arrears and if so, refer the matter to **Credit Control** straight away, and
2. if the account is not in arrears, ask the borrower whether they're able to make the repayments and let them know we may be able to assess them for a hardship arrangement. If the borrower says:
  - No, they don't think they can make their repayments – send the hardship form and refer the matter to **Credit Control**.
  - Yes, they're able to make the repayments - let the borrower know that if they think they can't meet their repayments at any time to **contact us immediately** as we may be able to assess them for hardship. If appropriate, send them the hardship form.

**Please note** only one business area should handle all of the parties involved in a dispute. Also, **handling disputing parties is an ongoing process** (we don't just restrict the accounts and leave it at that), we need to pay attention to all requests, all instructions, keep records and to keep each other in the loop so there's a reduced risk of miscommunication and incident.

## For helpful resources, see:

- Section 8 on account transactions in our [Terms and Conditions for Savings Accounts and Payment Services](#)
- General information for “Divorce and separation” in [ASIC's Moneysmart website](#)
- General industry guidance in the [Australian Bankers' Association's “Are you experiencing financial difficulty?” webpage](#)

- Our obligations as a mutual for dealing with members in “Financial difficulty” under section 24 of the [Customer Owned Banking Code of Practice](#)
- Our [Financial Hardship application form](#)
- Our [Financial Hardship compliance training](#)

## We can't provide advice, but you may refer members to obtain free advice from:

### Debt and financial advice

**Financial Counselling Australia**  
1800 007 007  
[www.financialcounsellingaustralia.org](http://www.financialcounsellingaustralia.org)

### Legal advice

**Legal Aid NSW**  
1300 888 529  
[www.legalaid.nsw.gov](http://www.legalaid.nsw.gov)

**Victoria Legal Aid**  
1300 792 387  
[www.legalaid.vic.gov.au](http://www.legalaid.vic.gov.au)

**Community Legal Centre QLD**  
07 3392 0092  
[www.communitylegalqld.org.au](http://www.communitylegalqld.org.au)

**Legal Aid WA**  
1300 650 579  
[www.legalaid.wa.gov.au](http://www.legalaid.wa.gov.au)

**Legal Aid Services Commission SA**  
1300 366 424  
<http://www.lsc.sa.gov.au/>

**Legal Aid ACT**  
1300 654 314  
[www.legalaidact.org.au](http://www.legalaidact.org.au)

**Legal Aid TAS**  
1300 366 611  
[www.legalaid.tas.org](http://www.legalaid.tas.org)

**Northern Territory Legal Aid Commission**  
1800 019 343  
[www.ntlac.nt.gov.au](http://www.ntlac.nt.gov.au)