

11 October 2019

Mr David Jones
General Manager
Adjudication
Australian Competition & Consumer Commission

By email: adjudication@accc.gov.au

Dear Mr Jones

**ACCC draft determination
ABA's application for authorisation no. AA1000441**

The Australian Financial Complaints Authority (AFCA) welcomes the opportunity to provide feedback to the ACCC's draft determination to the ABA's application for authorisation no. AA1000441.

Our feedback¹

AFCA considers that industry codes can play a crucial role in the financial sector by strengthening consumer confidence. We support initiatives to make codes operate more effectively by improving their coverage, content, consistency and enforceability. For this reason, we support the draft proposals. In our view the draft proposals provide important additional protections for consumers.

Draft proposal	AFCA feedback
Informal overdrafts should not occur on basic banking products without the customer's agreement	AFCA supports the draft proposal.

¹ The feedback is provided by the staff of AFCA and does not necessarily represent the views of individual directors of AFCA.

Interest should not be charged on overdrawn amounts on basic banking products except where the overdraft has been granted at the request of the customer	AFCA supports the draft proposal.
Require all member banks which currently offer Basic Bank Accounts (BBAs) to continue to do so	AFCA supports the draft proposal. While acknowledging a member bank's commercial decision to provide, or not provide, a particular product or service, AFCA supports appropriate measures being taken to maintain the current availability of BBAs.
Require member banks do more to identify customers who may be eligible for basic banking products	AFCA supports the draft proposal.
Stop default interest and fees on agricultural loans in times of natural disaster	AFCA supports the draft proposal.

Any questions?

If we can assist by discussing issues, or providing further information, please do not hesitate to contact me at [REDACTED] or on [REDACTED].

Yours sincerely



Alan Price
Legal Counsel
Australian Financial Complaints Authority