Better customer outcomes
A better banking experience through customer advocacy
Customer advocacy at Commonwealth Bank

A snapshot of FY18

The Customer Advocate team seeks to resolve disputes within 15 days

Average number of days to resolve disputes

592 reviewed

Complaints reviewed by the Customer Advocate team

Open complaints referred to the team directly by customers
19

Customers who sought external dispute resolution afterwards
0

Team decisions overturned by external dispute resolution

Outcomes from the Customer Advocate review process

The team disagreed with the Bank’s decision and substituted a new decision for the customer

The team agreed with the Bank’s decision but took further action to deliver a fair resolution

Closed complaints reviewed by the team as part of thematic reviews:

150 Small business complaints

100 Complaints regarding scams

600 Complaints a mental health issue was present

Better customer outcomes
There is no denying we’ve had challenges in recent years – we have made mistakes and failed some of our customers. We are working to become a better bank by making things simpler and fairer for customers and fixing issues in a way that is worthy of their trust.

Our Customer Advocate team plays a critical role in paving the way for better outcomes for our customers and communities. The team, which is independent from other business units, was established in 2016 to strengthen accountability for fair customer outcomes and offer a more customer-oriented perspective on how the Bank does business.

“Our role is to be a robust, independent voice for customers within Commonwealth Bank, particularly for those facing disadvantage or hardship. Customer advocacy is helping to shape how we think about the role of banks in society”, says Dr Brendan French, Customer Advocate, Commonwealth Bank.

Since 2016, the 40-person team has undertaken important work to help deliver fairer customer outcomes by removing barriers to banking, finding and fixing customer issues, and providing a helping hand to those most in need.

Who is the Customer Advocate team?

We sit separately from the Bank’s other business units and have unique decision rights and delegations. We improve products, processes, systems, and decision making to deliver better and consistently fair customer outcomes throughout the Group.

Amongst other roles and responsibilities – we offer independent customer complaint reviews, oversee Group-wide remediation processes, strengthen community and multicultural engagement, work to support our most vulnerable customers, and improve product governance and design across the business.

To learn more about the work of the Customer Advocate team, visit commbank.com.au/customeradvocate

We amplify the voice of the customer, particularly those who are marginalised, disadvantaged, or find financial services daunting.
Removing barriers to banking

Supporting our most vulnerable customers
Banking is an essential part of people’s everyday lives, yet there are many whose needs aren’t being fully met and have to overcome barriers to access basic products and services. We want to make things easier for customers, particularly for those who find even simple financial transactions overwhelming or whose circumstances make them more susceptible to poor outcomes. Over the year the Customer Advocate team investigated several customer vulnerabilities to identify improvements for the Bank. For example, the:

- barriers faced by the 20% of Australians for whom English isn’t a first language
- specific challenges associated with banking in remote Indigenous communities
- effect that payment frequency (how often a customer gets paid) has on financial wellbeing
- impact of scams, fraud and financial abuse on older people
- growing problem of poor mental health in rural communities.

These investigations often result in practical changes. For example, as a result of the inquiry into services to non-English speaking customers, the team worked with Commlnsure over the year to launch a program that automatically directs general insurance customers to agents who speak their language. The results of the Arabic and Mandarin pilot were promising and we’re exploring other languages to trial.

Accessible services

Over the financial year, we developed and launched the Group’s Accessibility and Inclusion Plan 2017-2020 to improve access to financial services for customers with a disability. As part of this, we have been working with industry bodies and several specialist services to make sure new technology developed by the Bank considers the needs of all customers, and to improve existing technology to address accessibility issues.

In 2017, we undertook a comprehensive review of the Bank’s processes to ensure a seamless experience for customers wishing to marry same-sex partners. For example, IT systems were analysed and processes examined for potential gaps. Changes – such as accepting overseas marriage certificates as proof of identity – were made ahead of the changes in legislation so that customers could exercise their rights as soon as the bill passed in December that year.

On the road

A quarter of our customers live in regional areas and many face unique challenges. We are committed to visiting regional communities and hearing from them first-hand. We continued to visit rural and regional communities over the year and met with customers and community leaders across the country including Launceston, Mandurah, Mildura, Palm Island, Tamworth, Wagga Wagga, and Hobart.

Hearing from customers and communities first-hand

As part of a two day visit to Mildura, we hosted a round table with local community organisations Sunraysia Rural Financial Counselling Service, Mallee Family Care and the Christie Centre. The discussions, which also included senior representatives from local government and business organisations, provided the opportunity to hear about local issues and strengthen connections with the Bank’s resident teams.

During the visit, we went to a property outside Mildura to experience first-hand the impacts regional water issues are having on local businesses. We also met with several aged care organisations to talk about the issues facing older Australians. Their insights were instrumental in developing the Safe & Savvy guide. The guide is available on our website at www.commbank.com.au

“I was quite inspired by the commitment of Commonwealth Bank’s people to support vulnerable customers. Thanks for the opportunity to engage with you and your people around a topic that is close to my heart”
Shepparton Greater Lighthouse Project
We have also signed major strategic partnerships with several agencies such as the Australian Multicultural Foundation, Victorian Multicultural Commission, Mental Health Foundation of Australia, Victoria University and the Islamic Museum of Australia, amongst others.

“It’s all about grassroots engagement” says Huss Mustafa OAM, General Manager Multicultural Community Banking, Commonwealth Bank. “This means being present and known among established, new, and emerging communities.”

We kicked off a number of mentoring and internship programs for multicultural communities over the year, including:

- The Victoria University Mentoring Program, in partnership with Victoria University, encourages the Bank’s employees to mentor students from diverse backgrounds to assist them with navigating, and transitioning to, the corporate world.

- The African Internship Program, a joint initiative with the Melbourne Employment Forum, seeks to provide meaningful work opportunities for African communities and welcome more diverse talent into the Bank.

- A youth-focused financial literacy program, in partnership with the Islamic Museum of Australia, for Islamic and non-Islamic schools.

While we recognise there is still a long way to go in tackling all of the challenges faced by people from culturally diverse backgrounds when it comes to banking, we are making progress and delivering on exciting initiatives that will make meaningful improvements over time.

Commonwealth Bank has a 100-year history in introducing new arrivals and new communities to Australian banking

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Listening to communities

In 2016, we brought together 25 thought leaders and senior representatives from community and social policy organisations to establish the Customer Advocate Community Council. The Council meets regularly to deliver recommendations to the Customer Advocate team and to provide an expert sounding board for new initiatives.

For example, at a Council gathering at the beginning of 2018, members looked at how the Bank could help customers experiencing gambling problems. They were asked to test an online prototype tool designed to help people with gambling problems and better support their financial wellbeing. The feedback from members has been invaluable in developing the tool, which will likely be rolled out in the coming year.

In June 2018, we partnered up with our Agribusiness and Retail Banking teams to hold a mental health summit in Tamworth. More details on the two-day workshop can be found on page 8.

Financial inclusion and social cohesion

Australia’s ethnic, cultural, religious, and linguistic diversity makes us who we are but it also means that for some people, banking isn’t as easy as it should be. Given Commonwealth Bank has a proud 100-year history of introducing new arrivals and communities to Australian banking, this is an obvious area of work for the Customer Advocate team.

Over the year, we have been developing partnerships with community members, business leaders, and government bodies across Australia – all with the aim of celebrating cultural diversity and promoting inclusion and cohesion.

We’re pleased that our Multicultural Community Banking team was recently recognised by the State Governments of NSW, Queensland, WA and Victoria for leadership and best practice in multicultural engagement and commitment to cultural diversity.

1/4 of our customers live in regional areas and face challenges unique to their areas
Finding and fixing customer issues

Proactively searching for issues and reviewing customer complaints

We know that in a business our size things will sometimes go wrong. As a result, fixing customer problems is a significant part of what the Customer Advocate team does. For example, customers who are unhappy with the outcome of a complaint can refer it to the team for an independent review. Our decisions are final and binding on the Bank, but not on customers.

An independent review can result in compensation for financial or non-financial loss, amending or voiding the terms of a contract, or other outcomes. We maintain our independence by remaining separate from the Bank’s other business units and by having independent decision rights and delegations.

We regularly review closed complaints in areas such as mental health, small businesses, and scams to assess how they are resolved, the time taken to resolve them, and what the outcomes were. These findings are used to make improvements which, in turn, deliver better outcomes for our customers.

Getting in touch

It’s important to make sure customers are aware of their right to request an independent review from the Customer Advocate team. Contact details are included in all final responses to customers from Commonwealth Bank’s and Bankwest’s specialised complaints teams, and in letters sent to customers by our financial hardship team.

A lost key card

An 86 year-old customer, from a non-English speaking background and on a disability support pension, disputed a $9,800 branch withdrawal which he claimed was fraudulent. The Bank did not accept the claim on the basis there was no evidence he had not withdrawn the money.

The Customer Advocate team reviewed the case and were also unable to find documentation confirming the customer had made the withdrawal himself. There was a strong possibility that a lost key card had been used to commit the fraud. The team concluded it was fair to reimburse the full amount given his circumstances.

“Where there’s a mistake – it’s critical the issue is fixed in a way that is worthy of customers’ trust.”

Sean Pyper, General Manager Customer Advocate, Commonwealth Bank
Preventing problems
To help prevent problems from occurring in the first place, we recently took on the role of proactively identifying potential issues before they lead to customer complaints. This means we can return customers to the position they would have been in if the problem hadn’t occurred in the first instance.

If needed, we have an expert team on hand to ensure fair, timely, and consistent remediation for customers impacted. Over the year we’ve played an active role in setting up and participating in project investment, product forums and review processes to ensure customers are appropriately prioritised in the Bank’s day-to-day decision making. We also support the Bank to ensure the right customer gets the right product, at the right price, and at the right time.
Providing a helping hand

Supporting mental health and wellbeing
Over the past 12 months, we reviewed seven years’ worth of complaints to see how the Bank responded to the needs of customers facing mental health challenges. The review indicated a need for a stronger focus on rural and regional communities.

In June 2018, we partnered with the Regional and Agribusiness Banking team to hold a mental health summit in Tamworth. The expert community representatives who attended the summit have helped us develop a roadmap for how the Bank can play a greater role in the community response to mental health among our people, customers, and communities – and improve outcomes for all.

Hearing complaints differently
Over the past year, we developed a customer care tool to assist the Bank with identifying customers who may be experiencing particular vulnerabilities. The tool assists customers with receiving additional support relevant to their circumstances, including referrals for expert assistance.

Early intervention
We recently ran a pilot initiative, in conjunction with our bank branch teams, where we contacted customers who were showing early signs of financial difficulty. As part of the pilot, we offered to help customers secure their financial position before they found themselves unable to, for example, meet payments on a loan or credit card.

We know that early intervention is paramount to helping customers in difficult situations and we hope to expand the initiative across the country in the near future.

On compassionate grounds
An elderly customer had some disputed transactions on her credit card amounting to almost $25,000. She was living in a nursing home with dementia. As her personal identification number (PIN) had been used for the transactions and the credit card had not been declared lost or stolen, the claim was not accepted.

The matter was raised with the Customer Advocate team. After reviewing the case, they found that due to her dementia the customer may have disclosed her PIN to another person. The disputed transactions were not in line with her usual spending habits.

The team determined that it was likely that Ms E was not responsible for making the transactions and the amount in dispute should be written off on compassionate grounds.

“I really like this model of advocacy... no-one is doing it in this way and it makes a lot of sense” Fiona Guthrie, CEO, Financial Counselling Australia
Addressing financial abuse in domestic violence

Financial abuse is a serious form of domestic violence that occurs when an abuser uses money as a means to gain power and to control their partner. Research by Commonwealth Bank and Domestic Violence NSW found that financial abuse often goes unaddressed due to a lack of education and access to resources.

The World Health Organisation estimates that around 35% of women globally will experience domestic and family violence in their lifetime\(^\text{(1)}\). In Australia, up to 90% of those who seek support for domestic and family violence are affected by financial abuse\(^\text{(2)}\). Equally, the challenge of obtaining financial independence is one of the most significant obstacles for victims looking to leave an abusive relationship.

We believe community organisations, public bodies and the private sector all play an important role in ending domestic and family violence in Australia.

Last year the Bank launched the *Addressing Financial Abuse* guide to help support workers assist victims with establishing financial independence – a critical step in leaving an abusive relationship. The guide contains practical information on services, referral points, resources, and financial assistance available to victims and community workers.

Following on from the initial launch, the Customer Advocate team produced State-based versions of the guide and distributed them to family violence organisations across the country and to financial counsellors through Financial Counselling Australia. The creation of the guide has helped us foster close relationships with support groups and experts in the field throughout the country. We are currently translating the booklets into other languages.

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**Women who will experience domestic and family violence in their lifetime\(^\text{(1)}\)**

35%

**Percentage of those who seek support and are affected by financial abuse in Australia\(^\text{(2)}\)**

90%

**Number of *Addressing Financial Abuse* guides distributed to domestic and family violence organisations in NSW alone**

2,500

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N Sharp, What’s yours is mine: The different forms of economic abuse and its impact on women and children experiencing domestic, Refuge, 2008.
Tackling elder financial abuse

As many as 10% of older Australians are estimated to be affected by elder abuse, with financial abuse the most common form. For example, our data indicates that 76% of those affected by scam activity are aged 50 and over.

The threat posed to elderly people is increasing as incidents of abuse have grown and scams have become more sophisticated and targeted.

In June 2018 we launched Safe & Savvy – a guide and awareness program to help protect older people and their families from financial abuse, scams and frauds. The guide outlines the types of financial abuse to look out for, tips to avoid scams and fraud, a comprehensive list of contacts and referrals, and practical steps to help safeguard the interests of older people. The guide is available online and in all Commonwealth Bank branches.

Dr Kay Patterson AO, Age Discrimination Commissioner, who advised the Bank on the development of the guide, hopes the Safe and Savvy initiative will lead to greater awareness of the issue among older Australians. "Certain groups are more susceptible to falling victim to elder abuse, particularly those who are socially isolated and reliant on others for care. The launch of this program is a step in the right direction", says Dr. Kay.

To support the roll out of the program, we’re delivering training to an initial group of 9,000 bank staff, based in 1,000 branches nationwide, on how to recognise and report signs of elder abuse.

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(5) Commonwealth Bank proprietary data.
The Customer Advocate team exists to amplify the voice of customers in decisions that affect them – and thereby improve the outcomes they receive.

The work of the team over the past year shows we are committed to doing better for customers in need, providing improved access to banking services for marginalised customers, and resolving issues for customers who have had poor experiences with the Bank.

“People regularly hear about banks being pillars of the economy. We believe that banks should also be known as pillars of the community. Everyone – whether customers, shareholders or our people – benefit from a sustainable banking sector working in tune with its customers”, says Dr Brendan French, Customer Advocate, Commonwealth Bank.

What’s next?

Fixing the damage

A single parent with three children contacted the Customer Advocate team about the Bank’s decision to decline her general insurance claim for damage to her home caused by a tropical cyclone. Her home was no longer liveable and she was staying with friends temporarily.

The Customer Advocate team identified inconsistent findings in building reports completed by third party assessors engaged by the Bank. The team arranged for an independent building assessor to inspect her home and analyse the previous reports.

After the Bank reassessed her situation with the new information, they organised for her home to be repaired and processed her claim.
Contact the Customer Advocate team

Phone 1800 832 806
(free call Monday to Friday, 8.30am – 5pm AEST)

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