



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

4 August 2022

Diane Tate
Chief Executive Officer
Australian Finance Industry Association Limited
Level 11 130 Pitt Street
Sydney NSW 2000

via email: codes@afia.asn.au

Dear Ms Tate

Revised Online Small Business Lenders Code of Practice

In addition to supporting minimum legal compliance obligations, the Online Small Business Lenders Code of Practice (the Code) should determine best practice standards of conduct for code signatories. To improve the Code and encourage a more balanced relationship between online lenders and their small business customers we recommend the following.

- 1. Improving awareness of the Code.** We recommend Part C – Delivering on Our Key Commitments, subparagraph 19 is amended to clearly state ‘the Code of Practice will be provided to each customer in conjunction with any product disclosure documents when offering a lending service.’.
- 2. Review of complaints by ASBFEO.** We recommend Part E – Prompt and Fair Resolution of Complaint, subparagraph 22 is amended to state ‘if you have a complaint about a lender that is not a signatory to the Code (and a non-AFCA member) you can contact ASBFEO for dispute resolution support and assistance.’. ASBFEO can recommend a process that the parties could follow to help resolve a dispute such as participating in an Alternative Dispute Resolution process.
- 3. Expanding and clarifying financial difficulty provisions.** In line with the General Insurance and Banking Industry Codes, we recommend Part D – Financial hardship, explicitly states that signatories will notify customers of a decision on financial hardship support within 21 days of receiving an application, and that recovery action will be put on hold if a customer is experiencing financial difficulty.
- 4. Membership of the Code Compliance Committee (CCC).** To strengthen customer confidence in the application of the Code, we recommend that the CCC include a small business customer representative. This will assist in demonstrating a strong commitment to consideration of customer perspectives in decision making and continuous improvement activities.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Sarah Blyton on 02 5114 6128 or at Sarah.Blyton@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

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