

Article Information

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Banking & Finance Summary Updates - November 2019

There have been a number of updates in the industry over the past month from regulators and the Government.

1. On 20 November 2019, AUSTRAC launched legal action against Westpac alleging it breached 23 million AML/CTF laws equating to \$11 billion in transactions, some of which resulted in possible child exploitation
2. ASIC has published [Regulatory Guide 270 Whistleblower policies](#) which provides guidance and assists companies establish their own mandatory whistleblower policies. Piper Alderman can assist your business to prepare a whistleblower policy ahead of the 1 January 2020 deadline.
3. Treasury is seeking consultation regarding the Consumer Product Safety regime. They published a [Consultation Regulation Impact Statement \(RIS\)](#) which provides an overview of the current system, existing issues with it and six possible options for legislative reform.
4. ACCC has begun proceedings against Google in the Federal Court for allegedly engaging in misleading conduct and making false or misleading representations to consumers about personal location data Google collections, keeps and uses.
5. After receiving judgment on 20 September 2019 in favour of IOOF, APRA has advised that it will not appeal the Federal Court decision to dismiss its court action against IOOF entities, directors and executives.
6. On its 1 year anniversary, AFCA confirmed that it received 73,272 complaints in its first twelve months of operation, with \$185 million in compensation provided to consumers.
7. On 7 November 2019 AFCA launched their new '[Datacube](#)' which allows Australians to see how Financial Firms handle and respond to complaints brought against them. The [Datacube](#) contains data from 30 June 2019 to 1 November 2019 and will be updated every six months.
8. On 28 October 2019, ASIC won its appeal in the Westpac 'personal advice' case, where it was found Westpac violated its duty to act in the customers' best interests in its superannuation rollover campaign.
9. On 19 November 2019 [CommInsure pleaded guilty](#) to 87 counts of hawking in relation to unlawful, unsolicited telephone calls. CommInsure is conducting a \$12 million remediation program for the products which were sold between 2010 and 2014.
10. ASIC has imposed additional licence conditions on wealth manager, IOOF, to combat conflicts of interest in the group's business structure as revealed by the Banking Royal Commission.
11. The OAIC has commenced a consultation process with industry and the public on draft Privacy Safeguard Guidelines for the upcoming Consumer Data Right. These guidelines are meant to assist industry in understanding their obligations under the CDR framework and ensure consumers can transfer their data with their consent, safely and securely.
12. The Federal Court has ordered Unique International College Pty Ltd to pay \$4.165 million in penalties for engaging in unconscionable conduct against five consumers, making false or misleading representations to four of these consumers, and breaching the unsolicited consumer agreements provisions in relation to six consumers.
13. By 1 December 2019, the Putting Members' Interests First (PMIF) reforms will require superannuation trustees to write to members with a balance of less than \$6,000. These members must be notified that their insurance cover may cease from 1 April 2020 unless they opt-in to continue this cover.
14. The AAT has affirmed the Australian Credit Licence cancellation of Unique Mortgage Services Pty Ltd and 5 year banning order against Ms Meenakshi Devi Callychurn from engaging in credit activities after finding Ms Callychurn failed to actively engage in the operations of the business and failed to meet the standards expected in the roles of sole director, key person and fit and proper person.