

Banking Code independent review

Consultation Paper



16 OCTOBER 2026



Table of Contents

1. Consultation process	3
2. Background and context.....	5
2.1. Objectives and scope	6
2.2. Market, policy and regulatory developments since the last review of the Code	7
3. Key areas for consideration	10
3.1. Overall impact of the Code	10
3.2. Inclusive, affordable and accessible banking.....	10
3.3. Supporting customers experiencing vulnerability	10
3.4. Aboriginal and Torres Strait Islander customers.....	13
3.5. Banking services for people with low income	15
3.6. Customers in remote, rural and regional areas	16
3.7. Small business and farming customers	17
3.8. Supporting customers experiencing financial difficulty.....	18
3.9. Branch closures and Bank@Post.....	19
3.10. Complaints	21
4. Other Code topics	22
4.1. Communication and information provision	22
4.2. Guarantors.....	22
4.3. Deceased estates.....	23
4.4. Banking services	23
5. Emerging issues	25
5.1. Scams	25
5.2. Artificial Intelligence.....	25
6. Code structure, governance and enforceability	27
6.1. Structure of the Code	27
6.2. Enforceability	27
6.3. ASIC approval	28
Appendix 1: Review terms of reference	29

1. Consultation process

This paper seeks written stakeholder input on issues that should be considered in the 2026 independent review of the Banking Code of Practice (the Code). The review commenced on 4 September 2026.

After considering responses to this Consultation Paper and engagement with stakeholders, the Reviewer will issue an Interim Report in March 2027 to seek feedback on preliminary findings and potential areas for improvement to the Code. A final report will be provided to the ABA by 30 June 2027.

The Reviewer is also undertaking a concurrent, separate independent review of the Banking Code Compliance Committee (BCCC). Information on that review and how to make a submission is available at bcccreview.org.au.

This paper outlines key themes around the Code that are set out in the terms of reference and/or that have been raised in stakeholder discussions or other reviews. To help gather the required insights, it highlights areas of particular interest and poses a series of questions. The Reviewer also welcomes feedback and submissions on the operation of any other aspect of the Code.

Submissions are invited from any interested organisation or person by 11 December 2026. Submissions are being accepted via the review's online submission page at 2026bankingcodereview.com.au. Alternatively, submissions can be provided by email to submissions@2026bankingcodereview.com.au.

As well as more comprehensive responses, the Reviewer welcomes short submissions, including from banking customers, addressing some or all of the questions in the Consultation Paper and/or any other matters relating to the operation of the Code.

Submissions will be treated as public and published on the review website unless the submitter indicates clearly that they wish the submission to be treated as confidential. Further information about providing a confidential submission is provided on the review's submission page.

In undertaking the review, as set out in the terms of reference, the Reviewer will consult widely with stakeholders. These include, but are not limited to:

- the banking industry including the ABA and its members;
- consumer organisations including members of the Consumers' Federation of Australia;
- the ABA Consumer Outcomes Group;
- the Banking Code Compliance Committee;
- small business organisations including the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), Council of Small Business Organisations Australia (COSBOA), and National Farmers' Federation and their members;
- organisations representing Australia's First Nations People;
- organisations representing people with disability; and

- relevant regulatory / statutory bodies including Australian Securities and Investment Commission (ASIC) and the Australian Financial Complaints Authority (AFCA).

Enquiries on this Consultation Paper or the review process can initially be directed to secretariat@2026bankingcodereview.com.au.

2. Background and context

The Code was first introduced in 1993. Since then, it has undergone multiple reviews, most recently the 2021 Code Review.¹ In response to the 2021 review, the ABA developed the 2025 Banking Code of Practice.

The stated objective of the Code is ‘... to provide customers with safeguards and protections not set out in law. The Code is intended to complement the law and, in some areas, set higher standards than the law’.² The Code contains standards of practice and service for individual customers, small business customers and guarantors.

The ABA is required to arrange reviews of the Code at intervals of no more than 5 years after completion of the previous review. These reviews are intended to ensure the Code continues to meet evolving community standards and expectations and delivers real benefits to customers.

The current version of the Code was approved by ASIC on 27 June 2024 and was effective from 28 February 2025. ASIC’s approach to code approval is set out in *Regulatory Guide 183: Codes of conduct for the financial services and credit sectors* (RG 183), which states that a code should do at least one, and preferably more than one, of the following:

- address specific industry issues and consumer problems not covered by legislation;
- elaborate on legislation to deliver additional benefits to consumers; and/or
- clarify what needs to be done from the perspective of a particular industry, practice or product to comply with legislation.³

The compliance and enforcement framework for the Code has several components:

- the Banking Code Compliance Committee monitors industry compliance with the Code, reports publicly on breaches, and has powers to impose sanctions. (As mentioned above, a separate independent review of the BCCC is being undertaken concurrently with this review);
- consumers and small businesses may take complaints about Code breaches to AFCA for resolution; and
- the provisions in the Code are legally enforceable via inclusion in customer contracts.

In addition to the Code, the ABA publishes a range of guidelines or protocols addressing areas of the bank/customer relationship. These are available on the ABA website⁴ and include:

- Industry guideline: Extra care for customers experiencing vulnerability;
- Industry guideline: Financial abuse;

¹ Mike Callaghan (2021) *Independent review of the Banking Code of Practice 2021: Final report*, 2021 Banking Code review website.

² 2025 Banking Code of Practice, p 6.

³ ASIC (2 December 2025) *Regulatory Guide 183: Codes of conduct for the financial services and credit sectors*, ASIC website, RG 183.4.

⁴ At www.ausbanking.org.au/guidelines/

- Industry guideline: Banks' financial difficulty programs (this also includes an industry guideline on the sale of unsecured debt);
- Industry guideline: Responding to requests from a power of attorney or court-appointed administrator;
- Branch Closure Support Protocol;
- Customer advocate guiding principles;
- Accessibility and inclusion principles for banking services; and
- Statement: Supporting Aboriginal and Torres Strait Islander peoples

Of these, the Branch Closure Support Protocol and the Customer advocate guiding principles are specifically mentioned in the Code. The Code requires banks to comply with the Branch Closure Support Protocol when closing a branch.⁵ The other documents set out above do not form part of the Code. As set out in the Code introduction, they are intended to promote good practice and may assist banks in understanding or interpreting aspects of the Code. Several of these documents have been updated since the last Code review.

2.1. Objectives and scope

The scope for this review is set out in the terms of reference released by the ABA on 4 September 2026. The full terms of reference are in Attachment 1.

The terms of reference required the Reviewer to consider whether the Code remains fit for purpose, effective and operating as intended, and focus on emerging issues that have arisen since the last Code review.

Specific issues that must be assessed and considered as part of the review include:

1. As a self-regulatory regime, the extent to which the Banking Code continues to both raise industry standards and deliver substantial consumer benefits, and remains appropriate having regard to the banking services provided under the Code which are not covered by laws or regulations.
2. The extent to which the Code contributes to banking services being inclusive, affordable, and accessible for all customers, including vulnerable customers, small business customers, Aboriginal and Torres Strait Islander customers and customers in remote, rural, and regional areas.
3. The Branch Closure Protocol (BCP) which was last updated in July 2023. The BCP review will also consider the findings of the BCCC inquiry expected to be finalised in mid-2026.
4. Whether the provisions of the Code and are positively improving customer outcomes, and whether these provisions meet current consumer and community expectations of banks to:
 - a. Provide assistance to customers experiencing financial difficulty or financial hardship;
 - b. Resolve complaints and disputes between banks and their customers; and

⁵ Paragraph 9, 2025 Banking Code of Practice

- c. The ability of the Banking Code Compliance Committee (BCCC) as independent Code administrator to monitor and enforce compliance, including by imposing appropriate sanctions for Code breaches.

The review is not limited to these issues, and the Reviewer welcomes feedback and submissions on the operation of any aspect of the Code.

2.2. Market, policy and regulatory developments since the last review of the Code

One of the key objectives of the review is to ensure that the Code is assessed in the light of emerging issues that have arisen since the last Code review to ensure it remains fit for purpose and effective.

The last review of the Code was completed in November 2021. Since 2021 there has been a wide range of reviews, policy processes and regulatory developments which may impact aspects of the Code. These are relevant both because: (i) they may suggest areas where the Code needs to be expanded, amended or improved; and/or (ii) they may indicate issues in retail banking services that are being dealt with through other processes, reforms or regulatory requirements.

In addition to these reviews and policy reforms there has been ongoing evolution of consumer markets, technologies and industry practices. An example is the recent developments in AI technology.

Given the wide range of reviews and regulatory developments, and the involvement of banking services in many aspects of the economy, this paper does not attempt to provide a complete list. Rather, the examples below provide an indication of key areas of policy reform and reviews of banking activity. The Reviewer welcomes any suggestions of additional reports, reviews or industry developments that are relevant for the review of the Code.

There are several recent or current law reform processes that will affect the retail banking sector. Examples include:

- **Scams Prevention Framework:** This is a mandatory legislative regime intended to protect consumers by imposing new obligations on businesses in sectors targeted by scammers, including mandatory sector-specific codes of conduct for banks, telecommunication services and digital platforms.
- **Credit card surcharging:** From 1 October 2026, credit and debit card surcharges have been removed following changes to the Reserve Bank of Australia's retail payments regulation. These changes will affect banks and other payment service providers, as well as businesses that accept card payments.
- **Cash distribution:** The Government has established arrangements for oversight of significant cash distribution providers, including measures to support continuity of services and access to cash, particularly in regional and remote areas. This has implications for banks' arrangements for distributing and collecting cash and their role in maintaining access to cash for customers and businesses.

- Anti-money laundering and counter-terrorism financing (AML/CTF): Reforms to AML/CTF laws have introduced updated obligations for reporting entities, including changes to customer identification and due diligence requirements. The reforms may affect banks' customer onboarding, identity verification processes and ongoing compliance obligations.
- Consumer Data Right (CDR): The CDR is already operating in banking and energy, with the framework expanding to non-bank lending during 2026. Changes to the scope and implementation of the CDR may affect banks' data-sharing obligations, technology and compliance arrangements, and the development of data-enabled products and services.
- Review of the Privacy Act: The Government is currently undertaking reform of the Privacy Act. In August 2026, the Government released an exposure draft of legislation for the next tranche of these reforms. The detail and timing of this legislation, and the detail of further tranches, may not be finalised with the timeframe of this review.

Banking has been the focus of several parliamentary committee inquiries which have considered issues that may be relevant to the Code. Examples include:

- The Parliamentary Joint Committee on Corporations and Financial Services' inquiry into the Financial services regulatory framework in relation to financial abuse (December 2024);⁶
- The Senate Rural and Regional Affairs and Transport References Committee's inquiry into Bank closures in regional Australia;⁷ and
- The ongoing Review of Australia's four major banks by the House of Representatives Standing Committee on Economics. The most recent report from this inquiry was published in March 2026.⁸

There have been several regulator reviews and actions that are relevant to areas covered by the Code. Examples include:

- ASIC's reviews of banks' approaches to financial hardship;⁹
- ASIC reviews of banking for Indigenous consumers and low-income Australians;¹⁰
- ASIC's report on credit card lending;¹¹
- ASIC's work on banks' scam prevention practices;¹²
- the Australian Competition and Consumer Commission's (ACCC) determination on low-fee and no-fee bank accounts and default interest on agricultural loans;¹³ and

⁶ Parliamentary Joint Committee on Corporations and Financial Services (2024) *Financial abuse: an insidious form of domestic violence*, Australian Parliament House website.

⁷ Senate Rural and Regional Affairs and Transport References Committee (2024) *Bank closures in regional Australia: Protecting the future of regional banking*, Australian Parliament House website.

⁸ House of Representatives Standing Committee on Economics (2026) *Review of Australia's four major banks: First report of the 48th Parliament*, Australian Parliament House website.

⁹ ASIC (May 2024) REP 783 *Hardship, hard to get help*, ASIC website and ASIC (September 2025) REP 815 *Hardship, not as hard to get help*, ASIC website.

¹⁰ ASIC (July 2024) REP 785 *Better banking for Indigenous consumers* (REP 785), ASIC website and ASIC (July 2025) REP 811 *Better and beyond: expanding better banking outcomes to more low-income Australians*, ASIC website.

¹¹ ASIC (July 2024) REP 788 *Credit card lending in Australia: staying in control*, ASIC website.

¹² ASIC (April 2023) REP 761 *Scam prevention, detection and response by the four major banks*, ASIC website and ASIC (August 2024) REP 790 *Anti-scam practices of banks outside the four major banks*, ASIC website.

¹³ ACCC, Application for Authorisation by the Australian Banking Association, Final Determination, Authorisation number AA1000683, 27 July 2026 ('ABA Authorisation').

- the ACCC’s recently commenced consultation on the ABA’s application for authorisation in relation to regional banking initiatives.¹⁴

ASIC has also updated RG 183, which provides guidance on ASIC’s approach to approving industry codes. This is relevant as the Code is an ASIC-approved industry code.

In addition, there have been reviews undertaken by the BCCC into areas of the Code. The topics include vulnerable customers, basic bank accounts, and deceased estates. While some of these assessed banks’ compliance with the requirements of the 2019 Code, it is relevant to consider recommendations made and the issues identified through these BCCC reviews.

As well as these reviews, other stakeholders, notably consumer organisations, have produced numerous reports and reviews on various aspects of retail banking that may have relevance for the Code. An example is *Rank the Banks*¹⁵ published by Financial Counselling Australia, which examines the approach to dealing with hardship by banks and other lenders.

¹⁴ ACCC, Application for Authorisation lodged by the Australian Banking Association, Under Consideration, Authorisation number AA1000746-1, 2 October 2026 (‘ABA Application for Authorisation’).

¹⁵ Financial Counselling Australia (July 2026) *Rank the banks, other lenders and debt collectors 2026*, FCA website.

3. Key areas for consideration

This section covers the specific issues in the terms of reference that must be considered and addressed as part of the review.

3.1. Overall impact of the Code

The terms of reference for the review start by setting out that the review should assess “...the extent to which the Banking Code continues to both raise industry standards and deliver substantial consumer benefits, and remains appropriate having regard to the banking services provided under the Code which are not covered by laws or regulations.”

A feature of effective industry codes is their evolution over time in response to developments in consumer markets, policy reforms, technology and industry practices. This paper seeks feedback and sets out questions in relation to the various parts of the Code, with a focus on key areas as set out in the terms of reference. The Reviewer also welcomes any other feedback on the operation of the Code and whether it continues to deliver substantial consumer benefits and remains ‘fit for purpose’ in the light of emerging market issues.

3.2. Inclusive, affordable and accessible banking

The review’s terms of reference ask the Reviewer to consider “the extent to which the Code contributes to banking services being inclusive, affordable, and accessible for all customers, including vulnerable customers, small business customers, Aboriginal and Torres Strait Islander customers and customers in remote, rural and regional areas”. Aspects of this issue, which are primarily covered in Part B of the Code, are outlined in the sections below.

Questions

1. *Are any enhancements required to the provisions in B1 to ensure the Code contributes to banking services being inclusive, affordable and accessible for all customers?*

3.3. Supporting customers experiencing vulnerability

Part B2 of the Code commits banks to take extra care with customers who are experiencing vulnerability. The Code recognises that anyone can be vulnerable and includes a non-exhaustive list of factors that may increase the risk that a person will experience vulnerability. The ABA has also published industry guidance on *Extra care for customers experiencing vulnerability*.¹⁶ The guidance is voluntary and is intended to outline good industry practice for how banks can take extra care with customers experiencing vulnerability.

In January 2025, the BCCC published *Inclusivity, accessibility and vulnerability: follow up report*. This examined banks’ responses to an earlier inquiry in 2022. While this review related to commitments in the 2019 Code, it noted that the recommendations would help banks remain

¹⁶ ABA (November 2024) *Extra care for customers experiencing vulnerability*, ABA website.

compliant with the 2025 Code. It stated that “[w]hile most banks demonstrated good practices in supporting vulnerable and diverse customers, the demands of an evolving environment require sustained commitment.”¹⁷

A key issue that arises in relation to vulnerability is the extent to which banks can identify customers who are experiencing vulnerability as early as practicable. This includes consideration of whether there are mechanisms that would support banks to take a more proactive approach to identifying vulnerability. The Code says that consumers are encouraged to tell their bank about their vulnerability. It also states that banks may be unable to identify customers experiencing vulnerability unless they inform their bank.

It is important to recognise that, for a range of reasons, consumers may not volunteer this information. However, there may be accessible customer information that indicates a higher risk of vulnerability as well as appropriate questions that can be asked that may assist in identifying potentially vulnerable customers in the light of such risk factors. The ability of banks to use this will be subject to the Privacy Act, and the Code appropriately requires banks to respect the need for customer privacy and confidentiality.

Since the development of the 2025 Code, Standards Australia has published *AS 22458:2025 Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service*,¹⁸ which reproduces *ISO 22458 Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service*, with national modifications. AS 22458 provides guidance for organisations to adopt inclusive design to identify and manage vulnerability in the design and delivery of services to reduce barriers and problems.

The standard takes a broad view of consumer vulnerability, recognising that people’s circumstances are all different, that vulnerability can affect anyone at any time, and that it may vary from short to long term.

Questions

2. *Could the Code better enable banks to identify vulnerable customers? In considering this issue, could the Code support banks to be more proactive and enable earlier identification of risks that could indicate consumer vulnerability while taking into account privacy concerns?*
3. *Are there any key risk factors that could be added to the section on vulnerability?*
4. *Are the requirements in the Code for banks to respond to customers who are experiencing vulnerability appropriate and adequate?*
5. *Is there scope for the Code to better reflect the approach set out in AS 22458?*

¹⁷ BCCC (January 2025) *Inclusivity, accessibility and vulnerability: follow up report*, BCCC website, p 4.

¹⁸ Standards Australia (November 2025) *AS 22458:2025 Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service*, Standards Australia website.

Financial abuse and family and domestic violence

The Code includes several commitments intended to assist customers experiencing financial abuse. ‘Financial abuse’ and ‘family and/or domestic violence’ are included in Part B2 of the Code as factors that may increase the risk of vulnerability. Relevant commitments also relate to co-borrowers,¹⁹ guarantors²⁰ and joint accounts.²¹

In September 2026, the ABA published an updated industry guideline on financial abuse. This combined two separate industry guidelines and uplifted standards in some areas.²² The guideline sets out good industry practice for managing suspected cases of financial abuse and family and domestic violence.

The guideline includes:

- detail on what financial abuse is;
- how a bank can recognise that a customer is experiencing financial abuse; and
- guidance on what banks should do to assist their customers experiencing financial abuse, including:
 - collecting and protecting personal information;
 - making it easy to communicate with the bank, including establishing safe communication methods;
 - referring customers to support such as government agencies, family violence services, financial counselling, or emergency assistance;
 - dealing fairly with third-party representatives;
 - placing protections in the lending process;
 - assisting customers in financial difficulty; and
 - not selling debt in certain circumstances.

The ABA encourages members to adopt the principles in the guideline. It is not mandatory and does not form part of the Code.

In 2024, the Parliamentary Joint Committee (PJC) on Corporations and Financial Services undertook an inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse.

In its final report, the Committee recommended that the Code, amongst other industry codes, be amended to:

- include specific reference to financial abuse under ‘vulnerable customers’; and
- require banks to develop systems to proactively identify (to the extent reasonably practical) and offer support to customers who may be experiencing financial abuse.²³

¹⁹ Paragraphs 69-72, 2025 Banking Code.

²⁰ For example, paragraphs 109-110 and 114. 2025 Banking Code.

²¹ Paragraphs 147-149, 2025 Banking Code.

²² ABA (September 2026) *Industry guideline: financial abuse*, ABA website.

²³ Parliamentary Joint Committee on Corporations and Financial Services (2024), p xvi.

As noted above, the Code does reference financial abuse in its section on vulnerability.

The final PJC report also included several recommendations which are relevant to the banking industry. While it is not suggested that any particular recommendation would require changes to the Code (as compared to other regulatory mechanisms or guidance), these help to provide context for recent consideration of issues relating to family and domestic violence and evolving community expectations.

On 14 October 2026, the Government responded to the PJC report. It supported in principle all the recommendations for the banking sector. It also noted the work that many financial institutions have taken to strengthen their responses to family and domestic violence and financial abuse, and encouraged industry to continue building on this and further strengthen their practices in line with the recommendations.²⁴

Questions

6. *The Reviewer would welcome submissions on the Code commitments and the issue of customers experiencing or at risk of financial abuse and family and domestic violence.*

3.4. Aboriginal and Torres Strait Islander customers

Part B1 of the Code includes several specific commitments relating to Aboriginal and Torres Strait Islander customers, including:

- taking reasonable measures to enhance access to banking services for Aboriginal and Torres Strait Islander customers, including those in remote locations;²⁵
- taking extra care with customers experiencing vulnerability. The Code acknowledges that risk of customers experiencing vulnerability may be increased due to a customer being Aboriginal or Torres Strait Islander, or a customer in a remote location;²⁶
- work to improve inclusivity and accessibility of banking services for customers, including where appropriate and practicable, organising or referring customers free of charge to external support services such as interpreters;²⁷
- telling them about accounts or services relevant to them (including those with no or low standard fees if eligible) and help them transfer to another appropriate account;²⁸
- helping them meet any identification requirements if they do not have access to standard identification documents by following AUSTRAC's guidance on identification and verification of customers with Aboriginal and Torres Strait Island heritage;²⁹

²⁴ Australian Government (October 2026) *Australian Government response to the Joint Committee on Corporations and Financial Services Report*, Australian Parliament House website.

²⁵ Paragraph 45, 2025 Banking Code.

²⁶ Paragraph 52, 2025 Banking Code.

²⁷ Paragraph 46, 2025 Banking Code.

²⁸ Paragraph 48, 2025 Banking Code.

²⁹ Paragraph 48, 2025 Banking Code.

- provide cultural awareness training to staff who regularly assist Aboriginal and Torres Strait Islander customers and guarantors and make cultural awareness training available to all other staff;³⁰ and
- assist customers who reside in remote communities (including remote Aboriginal and Torres Strait Islander communities) to access and undertake their banking.³¹

The ABA has also published an industry statement on supporting Aboriginal and Torres Strait Islander peoples.³² The statement outlines good practice for how the banking industry can seek to provide inclusive and accessible banking services to Aboriginal and Torres Strait Islander peoples, particularly to those living in remote locations.

In July 2024, ASIC published its report on *Better Banking for Indigenous Consumers*. The main focus of this project was addressing the harm experienced by Aboriginal and Torres Strait Islander customers in high fee accounts. Issues associated with low or no fee accounts, including for eligible Aboriginal and Torres Strait Islander customers, are discussed further below.

In its report, ASIC also made some broader recommendations for banks including:

- improving promotion and resourcing of the participating banks' specialist services to First Nations customers, such as Indigenous call lines; and
- building their understanding of their First Nations customers by asking customers whether they identify as being of Aboriginal and/or Torres Strait Islander heritage to allow for tailored banking services and messages.³³

Questions

7. *How effective are the Code provisions for Aboriginal and Torres Strait Islander customers, including both general commitments to inclusive and accessible banking and specific commitments in relation to:*
 - *communication regarding no or low fee accounts*
 - *identification requirements*
 - *cultural awareness training*
 - *assistance for customers in remote communities*
8. *Are there any other issues relevant to improving services for Aboriginal and Torres Strait Islander customers that may be addressed by changes to the Code?*

³⁰ Paragraphs 49 and 50, 2025 Banking Code.

³¹ Paragraph 51, 2025 Banking Code.

³² ABA (July 2025), *Industry statement: Supporting Aboriginal and Torres Strait Islander peoples*, ABA website.

³³ ASIC (July 2024), p 5.

3.5. Banking services for people with low income

Where a consumer tells a bank that they are a low- or no-income earner, or they receive a government benefit or hold a concession card, the Code requires the bank to give them information about accounts that they may be eligible for.³⁴ This may include basic accounts, low fee accounts and no fee accounts.

A ‘basic account’ is a type of low or no fee account that must meet the criteria set out in paragraph 59 of the Code. These include no account keeping fees, free and unlimited domestic transactions, no minimum deposits, free direct debit facilities, and access to widely accepted debit payment methods. It is not mandatory for banks to offer basic accounts, but many choose to do so.

In addition, where a bank offers a basic, low or no fee account to a customer who holds a government concession card, this account must have no informal overdrafts and no dishonour or overdrawn fees.³⁵

In September 2025, the BCCC published *Back to basics – Supporting access to inclusive banking*. This report set out findings from the BCCC’s review of how banks were meeting their commitments under the Code when offering basic accounts.

The review identified that:

- there are widespread issues with the clarity and accessibility of information about basic accounts which may create barriers to informed decision making;
- the Code allows basic accounts to include fees for ‘ancillary services’, but there are inconsistencies in what counts as ancillary and whether customers can unexpectedly incur fees for everyday in-branch services; and
- the Code prohibits informal overdrafts for eligible customers except where preventing them is “impossible or reasonably impractical”, but that test is not clearly defined either in the Code or most banks’ terms and conditions.³⁶

On 27 July 2026, the ACCC issued a final determination to authorise ABA member banks to continue to work together under the Code on minimum eligibility criteria and features of basic accounts.

As part of this authorisation, the ACCC imposed new conditions designed to broaden access to these accounts. The ACCC was particularly concerned that, based on ASIC research, “...some eligible customers may still be paying unnecessary fees because they are unaware that lower-cost accounts are available or face significant barriers when trying to switch their accounts”³⁷. To address these concerns, the ACCC imposed conditions to require ABA members banks to:

³⁴ Paragraphs 55-57, 2025 Banking Code.

³⁵ Paragraph 62, 2025 Banking Code

³⁶ BCCC (September 2025) *Back to basics: supporting access to inclusive banking*, BCCC website.

³⁷ ABA Authorisation (note 13).

- offer and provide information to eligible new customers about basic, low or no-fee accounts;
- migrate eligible existing customers to these accounts, with customers given the choice to opt out;
- at least once annually, take reasonable steps to identify and directly contact existing customers who may be eligible but are not already using these accounts; and
- not charge interest on informal overdrafts on basic, low or no fee accounts, or refund any interest charged.

If a bank does not comply with these conditions its conduct may not be protected by the authorisation, which may expose it to penalties under the Competition and Consumer Act.³⁸

Questions

9. *The Reviewer would welcome submissions on the effectiveness the Code obligations in relation to low- or no-income customers. This includes consideration of:*
 - a. *the issues identified by ASIC and/or the BCCC; and*
 - b. *whether the conditions imposed by the ACCC in its authorisation address consumer expectations in relation to the provision of basic, low or no-fee accounts; and*
 - c. *taking into account the ACCC authorisation conditions, how could the Code obligations in this area be clarified?*

3.6. Customers in remote, rural and regional areas

The Code includes several paragraphs that are relevant for customers living in remote, rural and regional areas, including:

- a commitment that banks will assist customers who reside in remote communities to access and undertake their banking;³⁹
- a recognition that living in a remote location is a factor that may increase the risk of vulnerability;⁴⁰
- the communication requirements in the Branch Closure Support Protocol which increase which vary depending on the distance to the nearest branch of the same brand; and
- commitments for Aboriginal and Torres Strait Islander customers and farming customers.

Several of these commitments recognise that access to banking services is an important issue for people living in remote, rural and regional areas.

Questions

10. *Could the Code be improved to better support inclusive, affordable and accessible banking for people living in remote, rural and regional areas?*

³⁸ s 88(3) Competition and Consumer Act 2010

³⁹ Paragraph 51, 2025 Banking Code.

⁴⁰ Paragraph 52(m), 2025 Banking Code.

3.7. Small business and farming customers

The Code includes several parts that set out commitments to small business and/or farming customers.

Small business

Part B5 sets out provisions relating to lending to small business. These include provisions relating to:

- factors banks will consider when assessing small business loans;
- notice requirements and steps banks must follow before enforcing small business loans for non-payment or a non-monetary default;
- notice requirements when a bank makes a decision not to extend a loan; and
- requirements in relation to appointing external experts such as valuers, investigative accounts and insolvency practitioners.

A business is considered a small business for the purposes of the Code if it, or its business group:

- a) had an annual turnover of less than \$10 million in the previous financial year; and
- b) has fewer than 100 full-time equivalent employees; and
- c) has less than \$5 million total debt to all credit providers (other than debt to which the National Credit Code applies, and without double counting, debt owed between members of a Business Group) including:
 - i) any undrawn amounts under existing Loans; and
 - ii) any Loan being applied for.⁴¹

For the 2025 Code, the lending threshold in part (c) of the definition was increased to \$5 million from \$3 million and the definition was expanded to apply to business groups. This was recommended by the 2020 Pottinger review of the small business definition.⁴²

Questions

11. *The Reviewer is interested in feedback on whether the commitments relating to small business in Part B5 are supporting banks to deal appropriately with small business customers*
12. *What has been the impact of the revised definition of a small business?*

Farmers

Part B7 sets out commitments relating to dealings with farmers. These include that:

- banks will not charge default interest on a loan to a farmer where their land is in drought or subject to natural disaster. As the Australian Government no longer makes formal drought

⁴¹ Definitions, 2025 Banking Code of Practice.

⁴² Pottinger (2020) *Definition of 'small business'*, Pottinger website.

declarations, the ABA says that assistance will be based on an individual case-by-case basis. An ACCC authorisation also enables banks to cooperate in this area;⁴³ and

- If a farmer and a bank do not reach an agreement at a farm debt mediation, the bank will give consent for AFCA to consider a complaint from the farmer. These complaints would otherwise be excluded by AFCA.

Questions

13. *The Reviewer welcomes feedback on whether the Code provisions relating to farmers are working as intended.*

3.8. Supporting customers experiencing financial difficulty

Part D1 of the Code sets out how banks will assist customers, including individual and small business customers, experiencing financial difficulty. The ABA also publishes an industry guideline *Banks' financial difficulty programs*.

These are important commitments in the Code given the very significant impact that financial difficulty can have on consumers and small businesses. In addition, for individual customers, banks must comply with financial hardship provisions under the National Consumer Credit Protection Act.

'Financial hardship' (as defined in the National Credit Code) and 'financial difficulty' (as used in the Code) are often used interchangeably. However, the ABA industry guideline notes that:

*...financial difficulty includes, but is broader than, the concept of financial hardship in the National Credit Code. For example, it extends to small business customers and guarantors who are not protected by the NCC financial hardship protections. It also extends to assistance that a bank may provide even if a customer is not in formal hardship arrangement under the NCC.*⁴⁴

Banks' handling of assistance for people experiencing financial difficulty can be a significant source of complaints. While AFCA's most recent Annual Review showed a 17% decline in financial difficulty complaints overall, "failure to respond to a request for assistance" remained in the top five complaint types for the banking and finance sector.

AFCA's most recent Annual Review noted that ⁴⁵:

Financial firms should continue to improve their assistance practices and build trust with diverse communities. Customer support can be enhanced through:

- *early identification of financial difficulty and extra care needs, by being attuned to indicators of financial stress and accessibility needs*

⁴³ ABA Authorisation (note 13).

⁴⁴ ABA (July 2025) *Industry guideline: banks' financial difficulty programs*, ABA website, p 4.

⁴⁵ AFCA (January 2026) *2024-2025 Annual Review*, AFCA website, p 72.

- *positive framing of assistance by emphasising benefits like paused enforcement action and avoiding adverse credit reporting to encourage engagement in hardship assistance options*
- *reducing barriers to access by avoiding rigid interpreter policies and excessive verification requirements that hinder support.*

FCA's most recent review of hardship practices by banks, debt collection firms and other lenders⁴⁶ found that there had been progress since the previous review in 2023. FCA found that the approach to hardship practices in banks were on average of a higher standard compared to debt collectors and other non-bank lenders. However, they also found progress remains uneven and while examples of good practice could be found across the sector, the quality of hardship support remains highly variable. Financial counsellors continued to report delays, poor communication, inconsistent decision-making, inflexible processes and inadequate responses to vulnerability across large parts of the financial services sector. Many customers still encounter unnecessary barriers when seeking help, particularly when hardship is identified late or customers require tailored support.

In 2023, ASIC undertook a major review of banks' handling of financial hardship and reported that lenders were not doing enough for home-loan customers experiencing hardship.⁴⁷ ASIC's findings included that hardship processes were difficult to access, communication was inadequate and vulnerable customers were not always appropriately supported.

ASIC consequently expected lenders to improve their hardship processes and indicated it would consider enforcement action where appropriate. A follow up report in 2025⁴⁸ found continued improvements in lender approaches and customers experiences and outcomes. However, feedback from consumer groups indicated that some lenders were slower to show progress and expressed concern with the quality of some hardship responses.

Questions

14. *The Reviewer welcomes feedback about the effectiveness of the current Code commitments relating to financial difficulty.*

- *Are there ways in which the Code can assist with earlier or more proactive identification of customers experiencing financial difficulty?*
- *Are any improvements required to ensure customers obtain appropriate support for financial difficulty when they need it?*

3.9. Branch closures and Bank@Post

The terms of reference specifically ask the reviewer to consider the Branch Closure Support Protocol (the Protocol), and the findings of the BCCC inquiry on banks' compliance with the Protocol, which is expected to be published shortly.

⁴⁶ FCA (2026).

⁴⁷ REP 782

⁴⁸ REP 815

Branch Closure Protocol

Branch closures, particularly in regional areas, have been an ongoing area of community focus. This includes the 2024 inquiry by the Senate Rural and Regional Affairs and Transport Committee on Branch closures in regional Australia.

The Protocol does not restrict a bank's right to close a branch; this is a commercial decision for a bank. The Protocol applies to the process for closing a branch once a bank has made the decision to do so. There is a particular focus on communication in relation to a branch closure and options available for customers to access alternative banking services. The level of support required to be offered by a bank varies depending on the distance by road to the nearest branch of the same brand. The Protocol was last updated in July 2023.

A range of other provisions in the Code are relevant to actions that banks may take when closing a branch e.g. commitments around dealing with customers experiencing vulnerability.

On 11 February 2025, the Government announced a package of commitments from banks to help ensure banking services remain available in regional Australia.⁴⁹ This included a major bank moratorium on regional branch closures until 31 July 2027. Westpac and Commonwealth Bank have subsequently announced an extension of their moratoriums to 2030.

The ABA has also recently submitted an application to the ACCC for authorisation to enable the ABA and its members to discuss and develop regional banking initiatives. Potential initiatives include:

- overarching voluntary regional service commitments;
- a trial of a banking hub model in communities without a bank branch to test a multi-bank model for delivering face-to-face and cash services;
- delivering withdrawal, inquiry and deposit cash services in regional communities through shared ATM infrastructure and/or coin deposit, exchange or recycling services at some or all banking hub locations; and
- developing a funding model for any of these initiatives.⁵⁰

The ACCC is consulting on the application and expects to make a final determination in February 2027. This may have implications for commitments in the Code relating to branch closures as well as the provision of banking services to remote, rural and regional customers.

Bank@Post

Where regional branches close, the main face to face banking alternative is Bank@Post services provided by Australia Post. All major banks and many smaller banks have agreements in place with Australia Post to enable their customers to access this service.

⁴⁹ Treasurer, Minister for Communications, Assistant Treasurer (11 February 2025) *Securing regional banking services* [media release], Treasury website.

⁵⁰ *ABA Application for Authorisation* (note 14).

In February 2026, the BCCC published a joint report with the Customer Owned Banking Code Compliance Committee on *Code Compliance in Bank@Post Services*. This review looked at how banks' service offered through Bank@Post complied with the Code. It found that, while there had been some improvements, further work was required. In particular, "...ensuring training materials for Bank@Post staff support compliance with Code obligations and connecting customers experiencing vulnerability to the appropriate support within their bank."⁵¹

Questions

- 15. *Are there any changes required to the Branch Closure Support Protocol to provide appropriate assistance and/or information to customers when a branch is closed?*
- 16. *Are there changes to Code that would help improve the way in which the Branch Closure Support Protocol is applied in practice?*
- 17. *Are changes needed to the Code to ensure Bank@Post services are being provided in accordance with Code obligations?*

3.10. Complaints

Part D2 of the Code sets out how banks will deal with complaints from customers. This states that banks' complaint resolution processes will comply with *ASIC Regulatory Guide RG 271: Internal dispute resolution*. It also sets out the steps that banks will take if they are unable to resolve a customer's complaint with 30 days (or 21 days for complaints involving hardship notices or postponement of enforcement).

The terms of reference require the Reviewer to consider whether the provisions of the Code are positively improving customer outcomes, and whether these provisions meet current consumer and community expectations of banks to resolve complaints and disputes between banks and their customers.

Questions

- 18. *The Reviewer is interested in feedback on whether Part D2 could be enhanced to ensure banks' commitments meet consumer and community expectations in relation to complaints and dispute resolution.*

⁵¹ BCCC (February 2026) *Code compliance in Bank@Post services*, BCCC website, p 3.

4. Other Code topics

This section covers other parts of the Code which are not explicitly required in the terms of reference to be considered and addressed in the review. The Reviewer will consider any feedback on these areas as part of the review.

4.1. Communication and information provision

Part A of the Code:

- establishes that the Code covers ‘banking services’, as defined in the Code, when provided to individual customers, small business customers and individual guarantors;
- says the Code forms part of the relevant banking services and guarantees through the terms and conditions of customer contracts;
- sets out the bank's overarching commitments in dealing with customers, including doing all things necessary to ensure that banking services provided under the Code are provided efficiently, honestly and fairly;
- requires bank staff and representatives to be trained on the Code; and
- includes requirements around how and when banks communicate with customers in particular circumstances, including the provision of key information and documents relating to a wide range of matters such as fees, charges, interest and changes to terms and conditions. There is a range of requirements for communications to be clear, timely and appropriate.

Commitments relating to the provision of information and communication standards are particularly important for retail customers and small businesses. This issue is impacted by the rapid evolution of communication technologies and the rise of various information sources online and via social media.

Questions

19. Are any changes required to the definition of a Banking Service under the Code?
20. Are any changes required to training obligations under the Code?
21. Are any changes or additions required to Part A3 of the Code to improve communication with customers?

4.2. Guarantors

Part B6 of the Code requires banks to take certain steps when dealing with a guarantor for a loan that they provide to another individual or small business.

The 2025 Code introduced new obligations on banks in relation to guarantors, including that:

- before accepting a guarantee, a bank would take reasonable steps to meet a prospective guarantor without the borrower present. There are limited exceptions to this requirement; and
- before enforcing a mortgage over a guarantor's principal place of residence, a bank will encourage the guarantor to tell the bank about their circumstances so that it can discuss other reasonable alternatives for the guarantor to repay the liability.

Questions

22. Are any changes required to the Code to improve banks' approaches when accepting and/or enforcing guarantees for loans?

4.3. Deceased estates

Part B8 of the Code sets out commitments in relation to customer accounts where the customer is deceased. This includes information a bank will provide to the deceased estate representative and steps it will take when it is notified of a customer's death.

In June 2026, the BCCC published *Managing deceased estates: a follow up review*. This report examined how banks had responded to recommendations in a 2023 BCCC report on the management of deceased estates.

The 2026 report found that banks had made changes to strengthen the management of deceased estates, but that further work was required to ensure that these arrangements are consistently applied in practice. In particular, the BCCC said that banks should continue to strengthen their management of deceased estates by:

- improving the completeness and accuracy of product identification;
- reducing reliance on manual processes;
- strengthening staff capability through continuous formal training;
- embedding effective monitoring and assurance frameworks; and
- ensuring that governance and assurance arrangements enable them to identify and address errors, delays and process failures in a timely manner.⁵²

Questions

23. Are any changes required to the Code to improve banks' handling of deceased estates or to address issues raised in the BCCC report?

4.4. Banking services

Part C of the Code sets out commitments in relation to specific banking services including:

- joint accounts;
- direct debit and recurring payment services;

⁵² BCCC (June 2026) *Managing deceased estates: a follow up review*, BCCC website, p 16.

- credit and debit cards; and
- consumer credit insurance.

Some of these provisions are relevant for other parts of the Code e.g. the treatment of joint accounts may affect a customer experiencing family and domestic violence and/or financial difficulty.

Questions

24. The reviewer welcomes feedback on any areas in Part C: Banking Services that could be improved.

5. Emerging issues

As noted in section 2.2 on regulatory and market developments, there have been a wide range of policy changes and market issues that have occurred since the last review in 2021 that may impact on the services that banks provide to customers. This section highlights two such developments, being the growth in scams and developments with AI.

5.1. Scams

Since the last review of the Code, consumer scams have continued to grow and represent a significant consumer issue, with major increases in complaints and recorded losses. According to Treasury, in 2023, 601,000 Australians reported \$2.74 billion in losses to scams.⁵³

The Government has responded to this threat by working to establish the Scams Prevention Framework (SPF). The SPF is a mandatory legislative regime designed to protect consumers by imposing new obligations on businesses in sectors targeted or utilised by scammers. This includes the banking sector.

A key element of the SPF will be mandatory sector-specific codes of conduct for banks, telecommunication services and digital platforms. Given this, the Reviewer does not consider that developing provisions to specifically address scams will be appropriate for this Code, particularly at this point in the development of the SPF. Rather, once the requirements in the SPF are finalised, an assessment of the Code should occur to ensure that there are no gaps, inconsistencies or unanticipated implications for commitments in the Code in relation to protecting customers from scams.

5.2. Artificial Intelligence

While it does not explicitly say so, the Code is broadly ‘technology neutral’ in that it requires banks to have appropriate dealings with customers irrespective of the technology used for banking services, communication, etc. This applies both to the technologies used by customers and by banks.

Access to and comfort with different technologies are not equally distributed across all parts of society, so it is important that, wherever possible, customers have options to effectively interact with their bank. Parts of the Code recognise that particular technologies may assist with accessibility (e.g. paragraph 46).

The Reviewer broadly supports this approach to Code requirements, especially as communication technologies continue to evolve. However, the rapid adoption of AI across most areas of the banking sector, and the economy more broadly, has raised additional concerns about the implications of this technology (both positive and negative). This includes, for example, the ability

⁵³ <https://treasury.gov.au/sites/default/files/2025-01/p2025-623966.pdf>, p 1.

of customers to understand whether they are interacting with a human and to seek human assistance in certain matters.

In this light, the Reviewer is providing stakeholders with the opportunity to provide feedback on whether there are any provisions of the Code that are impacted by emerging AI technologies, and/or whether issues relating to AI are more appropriately dealt with through other regulatory processes, laws or industry standards (e.g. privacy laws). In doing so, the Reviewer notes that AI is a rapidly developing technology and there are contested views on its likely impacts and development. Given this, it would be undesirable to embed technology specific rules in the Code that may be superseded in a relatively short time.

Questions

25. Does the use of Artificial Intelligence raise any issues that should be considered in the Code review?

6. Code structure, governance and enforceability

6.1. Structure of the Code

Several changes to the organisation and presentation of the Code were made for the 2025 version. These include restructuring the introductory material to clarify the Code's operation, scope and enforcement arrangements; consolidating or removing some standalone commitments, particularly where obligations are addressed elsewhere in legislation or regulation; and reorganising some parts.

Questions

26. The Reviewer is interested in feedback on the structure of the Code and impact of changes made for the 2025 Code.

Role of industry guidelines and other code-related documents

As discussed in section 2 of this paper there are several industry guidelines and other documents that relate to the Code.

The Code includes a reference to the industry guidelines, an explanation of their status and a link to the relevant ABA webpage on page 9 of the introduction to the Code. Apart from the Branch Closure Support Protocol, they are not mandatory and banks are not required to use them to assess their compliance with Code commitments.

The various industry guidelines cover a range of important customer issues and provide guidance for good practice by banks in meeting relevant commitments in the Code.

Questions

27. Are there elements of any of the current guidelines and/or related documents that should be considered for inclusion in the Code?

6.2. Enforceability

Enforceability is an important consideration for ASIC approval. ASIC expects effective industry codes to be enforceable through multiple mechanisms.⁵⁴ The Code is currently enforceable in several ways:

⁵⁴ RG 183.24

- The BCCC is the independent code administrator. It monitors Code compliance and can apply sanctions for breaches;
- AFCA is the external dispute resolution body which can hear complaints and provide redress to individuals based on a determination of what is fair in all the circumstances, having regard to the Code; and
- subscribing banks are required to incorporate the Code into the terms and conditions of their banking services and guarantees. This provides individual consumers and small businesses with contractual enforcement of Code obligations as an option.

Voluntary codes approved by ASIC may also contain one or more ‘enforceable code provisions’ (ECPs), a breach of which constitutes a breach of the law and is enforced by ASIC. To be identifiable as an ECP a clause should not be broad or aspirational in nature and a breach must be likely to result in significant and direct detriment to a consumer.⁵⁵ The Reviewer notes that the 2021 review of the Code did not recommend that any clauses should be designated as ECPs. No other industry code has ECPs.

As noted above, the operation and effectiveness of the BCCC is the subject of a separate, concurrent review. The Reviewer encourages stakeholders to consider submissions to that review on the issue regarding the BCCC’s role in compliance and enforcement.

Questions

- 28. The Reviewer welcomes feedback on the effectiveness of current enforceability mechanisms for the Code, noting that there is a separate review of the BCCC taking place.*

6.3. ASIC approval

At this point in time, the Banking Code is the only ASIC-approved industry code. ASIC approval is an important signal to consumers that it is a Code they can have confidence in and rely on in their interactions with subscribing banks.

This review is being conducted in a manner that will support an application for ASIC approval of an updated Code, including through broad-based stakeholder consultation. Since the last Code review, ASIC has revised RG 183 and the Reviewer will consider the updated RG 183 in the review.

⁵⁵ RG 183.60-61

Appendix 1: Review terms of reference

The ABA proposes that in addition to ensuring the Code remains fit for purpose, effective and operating as intended, the 2026 Review should also focus on emerging issues that have arisen since the last Code review, and that have not otherwise been addressed by industry.

This recognises that:

- The current Code came into force in February 2025 following a comprehensive review and consultation process (which included ASIC public consultation, review and approval);
- An effective Code addresses specific industry issues and consumer problems not covered by legislation. For example, specific legislation has since been introduced to cover identified areas of customer harm such as the Scams Prevention Framework (SPF); and
- The ABA has continued to uplift industry guidelines including the Customer Vulnerability guideline in 2024, and the Banks's financial difficulty programs guideline. These have provided areas of best practice for banks to uplift their approaches in specific areas of vulnerability and accessibility.

As such, the review will assess / consider the following:

1. As a self-regulated regime, the extent to which the Banking Code continues to both raise industry standards and deliver substantial consumer benefits, and remains appropriate having regard to the banking services provided under the Code which are not covered by laws or regulations.
2. The extent to which the Code contributes to banking services being inclusive, affordable, and accessible for all customers, including vulnerable customers, small business customers, Aboriginal and Torres Strait Islander customers and customers in remote, rural, and regional areas.
3. The Branch Closure Protocol (BCP) which was last updated in July 2023. The BCP review will also consider the findings of the BCCC inquiry expected to be finalised in mid-2026.
4. Whether the provisions of the Code are positively improving customer outcomes, and whether these provisions meet current consumer and community expectations of banks to:
 - d. Provide assistance to customers experiencing financial difficulty or financial hardship;
 - e. Resolve complaints and disputes between banks and their customers; and
 - f. The ability of the Banking Code Compliance Committee (BCCC) as independent Code administrator to monitor and enforce compliance, including by imposing appropriate sanctions for Code breaches.

By contrast and to ensure the Code continues to fulfill its self-regulatory purpose, the scope of the Review shall exclude the following:

1. Proposals that conflict with existing law and / or regulatory settings; and
2. Adding provisions to the Code or modifying existing provisions that directly duplicate or are substantially similar to existing or draft law (e.g. Scam Prevention Framework), regulations, and/or regulatory guidance. This remains consistent with the historical objective of the Code to provide customers with safeguards and protections not set out in the law.

