

Annual Report

Year ended 30 June 2021

This is the Annual Report of the Code Monitoring Committee [**“CMC”**]¹ of the Australian Collectors & Debt Buyers Association Limited [**“ACDBA”**] for the year ended 30 June 2021 [**“Reporting Period”**] pursuant to the Code Monitoring Committee Charter [**“Charter”**] of the 2nd Edition ACDBA Code of Practice [**“Code”**].

ACDBA which was established in May 2009 for the benefit of companies collecting and buying debt, represents the majority of collection and debt buying activities in Australia. Membership of ACDBA is voluntary and open to all interested collectors and debt buyers.

ACDBA's work in promoting good governance with ethical and compliant debt collection and, in improving the legislative and regulatory collections environment, provides appreciable benefits to members, creditors, consumers and other stakeholders.

In March 2016, ACDBA launched its Code and Charter binding on all members of ACDBA [**“Subscribers”**]. The Code is a condition of ACDBA membership and an important step in evidencing the promotion of an ethical and responsible approach by Subscribers.

The CMC was established under the Code and operates in accordance with the terms of the Charter to monitor and report on compliance with the Code and to investigate alleged breaches by Subscribers under the Code.

The CMC comprises an Independent Chair, a member to represent the interests of consumers and a member to represent the interests of Subscribers to the Code. The CMC has appointed ACDBA's CEO as Compliance Manager to undertake compliance functions and perform administrative tasks for the committee.

The CMC members share extensive knowledge relevant to the business environment including debt collection laws and regulations, ACCC/ASIC debt collection guidelines, IDR and EDR schemes and hardship and complaints provisions. The CMC members need to maintain this knowledge in the face of regular change that affects the Australian collections industry.

¹ Issued pursuant to Section F.12 of the Code Monitoring Committee Charter [**“Charter”**] of the Australian Collectors & Debt Buyers Association Limited 2nd Edition Code of Practice [**“Code”**]

Activities

1. The members of the CMC during the Reporting Period were:
 - As Independent Chair: Mr Digby Ross;
 - To represent Consumers: Ms Fiona Hawkins; and
 - To represent Subscribers to the Code: Mr Michael Watkins.
2. During the Reporting Period, the CMC met in accordance with the Charter to discharge its responsibilities on 4 September 2020, 4 December 2020, 5 March 2021 and 4 June 2021. All CMC members were in attendance for each meeting during their appointment and did not disclose any conflict of interest.
3. The tasks completed by the CMC during the Reporting Period included:
 - a. Revising the Annual Compliance Statements and reviewing their content when lodged by Subscribers
 - b. Monitoring data submitted by Subscribers pursuant to the annual data survey on consumer contacts and complaints during the Reporting Period
 - c. Maintaining and revising the suite of procedures and documentation for the committee to perform its role
 - d. Conducting and concluding compliance investigations in response to complaints
 - e. Monitoring the nature and number of enquiries about the Code made to the Compliance Manager
 - f. Reviewing updates to laws, legislation and industry practices which might impact Subscribers' obligations and compliance with the Code
 - g. Providing observations to all Subscribers in respect to:
 - i. responding to documentation requests from consumers and their representatives
 - ii. encouraging original credit providers to provide such documentation in a timely manner
 - h. Preparing its Annual Report

Annual Compliance Statements

Annual Compliance Statements² were lodged by all Subscribers as at 30 June 2021, being:

Axess Australia Pty Ltd	Credit Corp Group Limited
CCC Financial Solutions Pty Ltd	Lyndon Peak Pty Ltd
CFMG Pty Ltd	PF Australia Pty Ltd
Charter Mercantile Pty Ltd	PRA Australia Pty Ltd
CollectAU Pty Ltd	Prushka Fast Debt Recovery Pty Ltd
Collection House Limited	Recoveries Corporation Holdings Pty Ltd
Complete Credit Solutions Pty Ltd	Shield Mercantile Pty Ltd
Credit Collection Services Group Pty Ltd	Standard8 Advisory Pty Ltd

The Annual Compliance Statement template, designed and maintained by the CMC is included as Annexure A to this report.

On reviewing all the Annual Compliance Statements lodged by Subscribers, no issues were identified for inquiry.

² Copies of lodged Annual Compliance Statements are available for inspection by contacting the Compliance Manager by emailing: compliance@acdba.com

Monitoring

The CMC’s functions include conducting specific inquiries, on its own motion, into one or more Subscribers’ compliance with the Code. During the Reporting Period the CMC did not have reason to conduct such inquiry.

The CMC also monitors specific aspects of the Code that are referred by the ACDBA. During the Reporting Period, there were no referrals from ACDBA to the CMC.

The CMC monitored the aggregated data compiled from the compulsory ACDBA annual data survey of Subscribers for the Reporting Period. This “aggregated de-identified consumer contacts and complaints data” is included as Annexure B to this report.

This survey data is published by ACDBA, as reported by Subscribers. The CMC does not have any role in collecting and compiling the data.

The CMC noted that the survey data showed a low level of complaints in relation to the number of contacts in the reporting period.

Procedures and documentation

The CMC has a comprehensive suite of procedures and documents to perform its work in monitoring compliance, handling complaints, investigating alleged breaches of the Code by Subscribers in accordance with the Charter and, recording its operations.

This year, the CMC continued to review, improve and update its procedures and documentation to ensure that the monitoring, complaint handling and investigation functions of the committee were sufficiently robust to underpin the integrity and credibility of the Code for Subscribers and all stakeholders.

Compliance investigations

The table below summarises the outcomes and/or status of the compliance investigations undertaken by the CMC in relation to the complaints received during the reporting period:

Compliance investigations	Number commenced	3	From Complainants or their representatives		3
			From other sources		0
Status at end of reporting period	Open investigations	1	A	Age	3 weeks
				Status	Investigation in progress
	Concluded investigations	2	A	Determination made	No
				Time to conclude	7 weeks
			B	Determination made	No
Time to conclude	1 day				

Conclusion

The CMC concludes that Subscribers continue to exhibit a strong level of compliance to the Code. This view is based on the Annual Compliance Statements lodged by Subscribers, the level and nature of complaints and enquiries regarding the Code to the CMC, and the Complaints Data aggregated from Subscribers.

The CMC is satisfied the 2nd Edition of the Code and Charter and the supporting processes continue to be sound and fit for purpose.

The Chair has recorded his appreciation for the knowledge and experience brought to deliberations during and outside meetings by the CMC members and also noted the work and support by the Compliance Manager and ACDBA Secretariat was invaluable in carrying out the responsibilities of the CMC.

This Annual Report was unanimously adopted by the CMC on 3 December 2021.

A handwritten signature in blue ink, appearing to read 'Digby Ross', with a stylized flourish at the end.

Digby Ross
Independent Chair

Annexure A

Annual Compliance Statement for year ended 30 June 2021

Subscriber Name:

As a Subscriber of the **Australian Collectors & Debt Buyers Association (ACDBA) 2nd Edition Code of Practice (Code)**, we hereby agree to abide by and to comply with the objectives, principles and obligations set out in the Code.

Further, we commit to the spirit and intent of the Code as a condition of our membership of ACDBA.

We confirm our organisation has complied with the Code during the above reporting period, in connection with each of the following:

1. Understanding Code Responsibilities

- a. Our Board of Directors have each read and understood the Code or have been made aware of the obligations arising from the Code to which the company subscribes Yes No
 - b. Our Collections Management have each read and understood the Code Yes No
 - c. Our Collections Staff Members and other relevant employees have each been trained in respect to the obligations arising from the Code Yes No
- If not, by what date will full compliance to each of the above be achieved? Date: / /

2. Delivering Code Commitments

- a. The Code has been circulated to our Collections Staff Yes No
If not, by what date will full compliance be achieved? Date: / /
- b. Engaging with Consumers:
 - i. We provide general information about a consumer's rights and obligations arising out of our collections activities Yes No
 - ii. We act fairly and reasonably towards consumers in a legal, equitable and transparent manner when dealing with consumers in our collections activities Yes No
 - iii. We communicate and conduct our business in a courteous and respectful manner using plain language Yes No

- iv. We do not engage in aggressive, deceptive, deceitful, oppressive or improper practices when dealing with consumers in our collections activities Yes No
 - v. We do not imply an intention to proceed with litigation or insolvency proceedings against consumers if such action is not possible, not intended or not being considered Yes No
 - vi. We comply with all relevant laws and best practice guidelines relating to the Australian collections industry including the ACCC/ASIC Debt Collection Guideline and the Code Yes No
- If not, by what date will full compliance to each of the above be achieved? Date: / /

c. Complaints handling:

- i. We have a Complaints Handling Policy and Process, details of which are available on our website Yes No
 - ii. We handle complaints promptly and fairly Yes No
 - iii. We provide consumers with information on avenues for resolving disputes if we are unable to reach agreement with the consumer Yes No
 - iv. We have an Internal Dispute Resolution (IDR) Policy and Process, details of which are available on our website Yes No
 - v. We have an External Dispute Resolution (EDR) Policy and Process (where required), details of which are, where applicable available on our website Yes No N/A
- If not, by what date will full compliance to each of the above be achieved? Date: / /

- d. We have a Financial Hardship Policy and Process, details of which are accessible on our website Yes No
- If not, by what date will full compliance be achieved? Date: / /

3. Visibility and Access to the Code

- a. The current version of the Code is displayed in a readily visible manner at our offices Yes No
 - b. The current version of the Code is made available to consumers by electronic communication or by mail upon request Yes No
 - c. The current version of the Code has been placed on our website in a location we believe the public will be able to easily locate Yes No
- If not, by what date will full compliance to each of the above be achieved? Date: / /

4. Communication and Training

- a. Our Staff have been fully inducted, trained and refresher trained in relation to the Code and their obligations to comply with the Code in all collection activities Yes No
- b. Our Staff have adequate knowledge of the provisions of the Code and its application to collections activities Yes No
- c. Our Staff competently and efficiently undertake their collections activities in compliance with the Code Yes No
- If not, by what date will full compliance to each of the above be achieved? Date: / /

Subscriber Acknowledgement and Sign Off

Name of Subscriber: _____

Authorised Signatory and Position: _____
[to be signed by CEO/Managing Director/Business Owner]

Signature: _____

Dated: _____

Information:

This Annual Compliance Statement should be completed and signed by the Authorised signatory of the Subscriber not prior to 30 June 2021 and lodged with Australian Collectors & Debt Buyers Association no later than 30 September 2021 by sending it to:

Compliance Manager
Code Monitoring Committee
Australian Collectors & Debt Buyers Association
Email: compliance@acdba.com
Postal: PO Box 295 Waratah NSW 2298

Annexure B

Aggregated de-identified consumer contacts and complaints data of Subscribers submitted pursuant to the compulsory ACDBA annual data surveys

Number of Consumer Contacts Made and Number of Complaints Received

Complaints Experience					
Period	FY2021	FY2020	FY2019	FY2018	FY2017
Number of Respondents	16	14	14	15	16
Total Consumer Contacts Made*	84,853,471	95,027,455	123,981,410	109,139,040	96,462,665
Number of Complaints Received					
Via IDR	17,755	15,263	8,364	6,194	7,015
Escalated from IDR to EDR [#]	496	419	690	Not collected	
Via EDR	1,183	2,484	2,473	1,864	1,872
Complaints as a Percentage of Consumer Contacts Made					
Via IDR	0.0209%	0.0161%	0.0067%	0.0057%	0.0073%
Via EDR	0.0014%	0.0026%	0.0020%	0.0017%	0.0019%
[*] Contacts include letters, emails, telephone calls, SMS messages and from FY2019 online portal access [#] These complaints escalated from IDR to EDR are included in both the number of complaints received via IDR and the number of complaints received via EDR					

Number of Complaints Resolved with Breakdown of Outcomes

Complaint Outcomes					
Period	FY2021	FY2020	FY2019	FY2018	FY2017
Number of Respondents	16	14	14	15	16
Outcome of Complaints by Number					
Account paid	1,716	413	368	179	118
Arrangement made /settlement accepted	744	1,130	612	376	515
No basis or insufficient detail to investigate or no response from consumer	4,234	3,534	1,663	1,760	1,823
Withdrawn by consumer	79	310	118	105	95
Matter referred back to client for resolution	486	1,518	557	175	218
Interest waiver or freeze	191				
Account waiver	262				
Apology letter issued to consumer	94	93	142	134	121
Credit file listing corrected/removed	10,154	4,387	2,689	1,933	982
Finalised by EDR award in favour of consumer	27	12	15	9	9
Internal processes reviewed/amended	75	45	33	23	11
Other outcome not disclosed to survey	1,500	4,203	859	619	1,863
Not yet resolved	241	893	377	507	852
Total*	19,803	16,538	7,433	5,820	6,607
[*] The total resolved complaints in this table will not match the total complaints received from the top table due to timing issues in the complaint cycle					

Number of Notifications from Regulators with Breakdown of Outcomes

Notifications from Regulators					
Period	FY2021	FY2020	FY2019	FY2018	FY2017
Number of Respondents	16	14	14	16	17
Number of notifications during period by regulators of alleged breaches					
Total Notifications Received	1	6	8	10	15
Outcome of notifications during period from regulators*					
No finding of breach/dismissed	0	5	7	10	12
Apology offered to consumer	0	0	0	0	0
Written warning	0	0	0	0	0
Enforceable undertaking	0	0	0	0	0
Court decision pending	0	0	0	0	0
Court proceedings finalised	0	1	0	0	0
Other - unspecified	0	0	0	0	1
Not yet resolved	1	0	1	1	2
Total*	1	6	8	11	15
* Notifications by regulators of alleged breaches will not always reconcile to outcomes of notifications due to timing issues					

Disclaimer:

The above information was compiled by ACDBA from its annual data survey of Subscribers for the Reporting Period.