

Our reference: QSBC-5250

19 August 2022

Ms Diane Tate
Chief Executive Officer
Australian Finance Industry Association
Level 11, 130 Pitt Street
SYDNEY NSW 2000
via email: [REDACTED]

Dear Ms Tate

Re: Revised Online Small Business Lenders Code of Practice

Thank you for your email dated 26 July 2022 in relation to the revised Online Small Business Lenders Code of Practice (the Code).

The Queensland Small Business Commissioner (QSBC), which includes collective reference to both the Commissioner and my supporting office, aims to enhance the operating environment of small businesses through collaborative advocacy, fast and fair assistance, and sharing information.

The QSBC welcomes the opportunity to provide feedback on the revised Code, and we acknowledge the ongoing commitment from the Australian Finance Industry Association and the Code signatories to ensuring the Code remains relevant and represents best practice. We wish to recognise the work done to date by the Code Review Working Group to revise the Code and make it more accessible to small business customers.

To further improve the Code, and ensure small business customers are best supported when engaging with online lenders, we recommend the following:

1. Further streamline the Code

To further streamline the Code, we recommend that *Part B – Our Key Commitments to You* and *Part C – Delivering on our key commitments*, be combined to reduce repetition and make it easier for small business customers to navigate.

We further recommend that *Part C – Delivering on our key commitments*, subparagraph 17, is amended to direct the customer to *Part E - Prompt and fair resolution of complaints* to make it easier for the customer to navigate to more detailed information on how signatories will fairly deal with complaints.

2. Referral to support services for vulnerable customers and customers experiencing financial hardship

Online lenders have a unique opportunity to identify and assist small business customers who may be vulnerable or experiencing financial hardship. We recommend that *Part C – Delivering on our key commitments*, subparagraph 16 and *Part D – Financial hardship* are

amended to include that, where staff or representatives identify signs of vulnerability or financial hardship, that those customers will be referred to appropriate support e.g. their state Small Business Commissioner, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), Beyond Blue, Debt Helpline etc.

In addition to our recommendations, the QSBC supports the recommendations in the submission from ASBFEO dated 4 August 2022, namely to:

3. Amend *Part C – Delivering on our key commitments*, subparagraph 19, to state ‘the Code of Practice will be provided to each customer in conjunction with any product disclosure documents when offering a lending service’.
4. Amend *Part E – Prompt and fair resolution of complaints*, subparagraph 22, 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’.
5. Amend *Part D – Financial hardship*, to state 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.
6. Consider expanding the composition of the Code Compliance Committee to include a small business customer representative, to demonstrate a strong commitment to consideration of customer perspectives in decision making and continuous improvement activities.

Thank you once again for the opportunity to provide feedback. If you have any questions, please contact Rebekah Godbold, Principal Policy Officer on [REDACTED] or via email at [REDACTED].

Yours sincerely



Maree Adshead
Small Business Commissioner

