

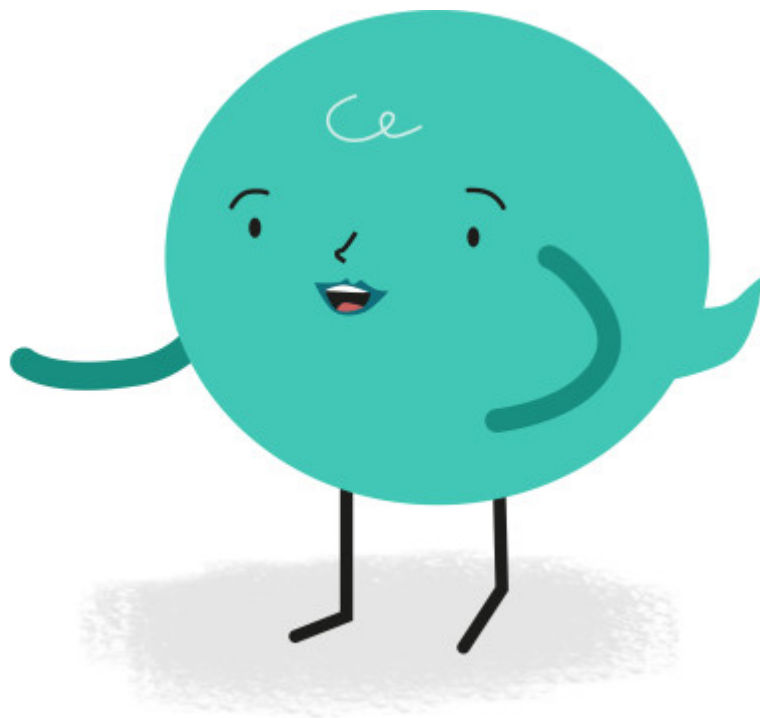
**New regime to help ensure
banks treat customers
fairly**

The Financial Markets (Conduct of Institutions)

Amendment Act 2022 establishes a regulatory regime to help ensure financial institutions,

including banks, treat customers fairly. This is consistent with how we consider

complaints. The new regime requires institutions to put the consumer at the forefront of their decisions and actions.



This quick guide explains how the regime works.

Key features of regime

Also known as the conduct of financial institutions (CoFI) **regime**, these new rules require, among other things, that financial institutions comply with a fair conduct principle, which in practical terms means:

- paying due regard to consumers' interests
- acting ethically, transparently and in good faith
- helping consumers make informed decisions
- ensuring their products and services are likely to meet the needs of intending customers
- not subjecting consumers to unfair pressure or tactics or undue influence.

To ensure compliance with the fair conduct principle, financial institutions must:

- set up and comply with policies, processes and systems designed to help ensure they treat customers fairly
- publish a summary of these policies, process and systems on their website
- comply with regulations banning target-based sales incentives and regulate other types of incentives.

How the regime affects the way we look at complaints

We will take into account the fair conduct principle, where relevant, in looking at complaints because we are required to consider, among other things, relevant law, regulations, guidance and codes of conduct. The fair conduct principle forms part of relevant law. We already take into account the [Code of Banking Practice](#), which contains a commitment from banks to treat customers fairly, to act in good faith, and to act in a

consistent, ethical way. The fair conduct principle will not, therefore, fundamentally change the way we consider complaints.