

COMMONWEALTH OF AUSTRALIA
Royal Commissions Act 1902
 ROYAL COMMISSION
 INTO MISCONDUCT IN THE BANKING, SUPERANNUATION
 AND FINANCIAL SERVICES INDUSTRY

RUBRIC 4-13 AND RUBRIC 4-41
SUPPLEMENTARY WITNESS STATEMENT OF TONY COLIN TAPSALL
On behalf of Australia and New Zealand Banking Group Limited

No	Document ID	Document	Paragraph
1.		Supplementary witness statement of Tony Colin Tapsall dated 4 July 2018	
2.	ANZ.800.276.0127	Exhibit "TCT3-1", being a copy of an ANZ Assured application form in force prior to April 2016	[7]
3.	ANZ.800.814.0001	Exhibit "TCT3-2", being a copy of the assessment methodology that is currently applicable to ANZ's Collections staff	[21]
4.	ANZ.800.847.0002 ANZ.800.847.0004 ANZ.800.847.0012 ANZ.800.847.0014 ANZ.800.847.0006 ANZ.800.847.0005	Exhibit "TCT3-3", being a copy of the correspondence between the third party and the CRC Officer dated 27 and 29 June 2018	[22]

I, Tony Colin Tapsall, General Manager, Retail Branch Network, Northern Queensland and Northern Territory, Australia and New Zealand Banking Group (**ANZ**), Level 18, 111 Eagle Street, Brisbane, Queensland, state as follows:

1. I am the General Manager, Retail Branch Network, Northern Queensland and Northern Territory. I commenced in this position in January 2016.
2. I am authorised to make this statement on behalf of ANZ and I do so, to the extent possible, from my own knowledge.
3. I have prepared this statement further to my witness statement signed on 21 June 2018 in response to the Commission's statement request designated "Rubric 4-13" (**Rubric 4-13 Statement**), and my witness statement signed on 25 June 2018 in response to the Commission's statement request designated "Rubric 4-41" (**Rubric 4-41 Statement**).
4. For the purposes of the preparation of this statement, where matters were not within my own knowledge, I have made enquiries of relevant employees of ANZ and reviewed documents of ANZ so as to understand matters relevant to Rubric 4-13 and Rubric 4-41. Schedule 1 contains a table listing employees of ANZ of whom I have made enquiries for the purpose of this supplementary statement, and the questions from Rubric 4-13 and Rubric 4-41 about which they each informed me.
5. Where in this statement I express an opinion, it is an opinion I hold based on my experience in the financial services industry, and more particularly, my experience as an employee of ANZ.
6. My qualifications, experience and present responsibilities are set out in my Rubric 4-13 Statement. I do not repeat them here.

RESPONSE TO QUESTION 6 OF RUBRIC 4-13*ANZ Assured*

7. In [33] of my Rubric 4-13 Statement I refer to the hard copy application form for ANZ Assured, exhibited as TCT-6. I have since been informed that the form exhibited at TCT-6 was introduced in April 2016. Now produced and shown to me and marked "TCT3-1" is a copy of the hard copy ANZ Assured application form that was in place from January 2016 to April 2016.

RESPONSE TO QUESTION 8 OF RUBRIC 4-13*NSF Team*

8. In [55] to [59A] of my Rubric 4-13 Statement I addressed Question 8 of the Commission's Rubric 4-13 Request. Since making my Rubric 4-13 Statement, I have obtained further information about the review process referred to in [59A].
9. The automated process for determining a customer's eligibility for an informal overdraft described in [57]-[58] of my Rubric 4-13 Statement is applied by ANZ's computer program known as "TRIAD". In addition to the TRIAD process, ANZ applies the separate process referred to in [59A] of my Rubric 4-13 Statement that operates on a transaction-by-transaction basis where a customer has insufficient funds for the transaction. I describe this process below.
10. An intended transaction on an account that exceeds the available funds (being the positive credit balance in the account plus any formal overdraft facility attached to the account) will ordinarily be referred to ANZ's "not sufficient funds" (**NSF**) team.
11. The NSF team comprises a computer program which assesses transactions automatically and ANZ staff members who review transactions manually. Transactions reviewed by the NSF team are processed by the NSF computer program in the first instance, which applies a set of rules to determine whether to approve, decline, or refer the transaction for manual review by an NSF team member. 70-80% of transactions are automatically approved or declined by the NSF computer program. The remaining 20-30% are referred by the NSF computer program to an NSF team member for manual review.
12. The referral for manual review is triggered by specific conditions, for example, if the transaction is greater than a certain value.
13. An NSF team member reviewing a transaction will approve or decline the transaction based on specified criteria, such as the standing of the account, history of transactions, history of attempted drawing on insufficient funds, anticipated regular payment(s) due to arrive in the account and the pending availability of uncleared funds (such as the deposit of a cheque which has not yet cleared).
14. An NSF team member can exercise their discretion to approve a transaction, within applicable limits based upon their level of seniority within ANZ and their "CAD" or "Credit Approval Discretion" limit. An NSF team member may exercise their discretion and allow a customer's account to be overdrawn in circumstances where the customer does not have:
 - (a) a formal overdraft (or the amount of the transaction exceeds any formal overdraft available); and/or
 - (b) an informal overdraft at that time as a consequence of the TRIAD process applying the exclusion criteria identified in [57]-[58] of my Rubric 4-13 Statement (or the amount of the transaction exceeds any informal overdraft available under that process).

15. I am informed that it would be rare for the NSF team to approve a transaction that would result in the account being overdrawn by an amount greater than the informal overdraft limit determined by the TRIAD process. Nevertheless, review by the NSF team is an additional process (that is, in addition to the TRIAD process) by which an informal overdraft may be made available to a customer for a specific transaction if an NSF team member allows the transaction following manual review.
16. The NSF team member may also exercise their discretion to decline a transaction that would result in a customer's account becoming overdrawn, even though that transaction would not exceed any informal overdraft limit calculated by the TRIAD process.

RESPONSE TO QUESTION 11 OF RUBRIC 4-13

Switching off an informal overdraft

17. In [71] of my Rubric 4-13 Statement, I explained that a customer may take up the option of "switching off" their ability to informally overdraw their account.¹ This can be done by a request at a branch or agency, by completion of the "Request to restrict Informal Overdraft Facility (DIBS)"² exhibited as TCT-16 to my Rubric 4-13 Statement.
18. A customer may also request any informal overdraft on their account be removed over the telephone while speaking with one of ANZ's Contact Centre staff after having securely confirmed their identification.
19. Additionally, ANZ may arrange for any informal overdraft to be switched off on an account independently, without any request from the customer. For example:
 - (a) when a customer requests the 90% arrangements described in [74]-[75] of my Rubric 4-13 Statement, the ANZ staff member applying the 90% arrangement may switch off the ability to overdraw the account;
 - (b) if, when dealing with a member of ANZ's Collections team, a customer expresses dissatisfaction with their account becoming informally overdrawn, the Collections team member may switch off the ability to overdraw the account; and
 - (c) where a transaction is under review by the NSF team as described in [10]-[14] above, the ability to overdraw an account may be switched off by the NSF team if the account has been overdrawn for more than 30 days or the customer has been flagged with a particular ANZ internal credit risk rating.

RESPONSE TO QUESTION 15 OF RUBRIC 4-13

Exhibit TCT-22

20. In [91] of my Rubric 4-13 Statement I referred to the Quality Assurance testing that is applied to members of ANZ's Collections team and exhibited as TCT-22 a document that was described as setting out the QA methodology applicable to the Collections team. Since finalising my Rubric 4-13 Statement it has come to my attention that the document

¹ As noted in [71] of my Rubric 4-13 Statement, withdrawals made via the internet, phone and mobile banking, ATMs, VISA and EFTPOS would generally, but not always, be declined once switching off has occurred where they would result in the account being overdrawn.

² Internally, ANZ refers to the informal overdraft available to eligible customers from time to time as the "DIBS" limit.

exhibited as TCT-22 is in fact the QA methodology that applies to members of ANZ's Hardship team,³ who are also assessed in relation to the 90% arrangements.

21. All of the other information that I have set out in [91] of my Rubric 4-13 Statement in relation to the Collections team is equally applicable to the Hardship team. Now produced and shown to me and marked "TCT3-2" is the assessment methodology that is currently applicable to ANZ's Collections staff (who sit within ANZ's Business Retail and Collections, or BRC, team).

RESPONSE TO PART D OF RUBRIC 4-41

Further correspondence with the third party – 27 and 29 June 2018

22. In [75]-[110] of my Rubric 4-41 Statement, I refer to the correspondence between Confidential the third party and ANZ. Since signing my Rubric 4-41 Statement, ANZ has had further correspondence with the third party. Now produced and shown to me and marked "TCT3-3" is a copy of the correspondence passing between ANZ and the third party on 27 June 2018, 29 June 2018 and 2 July 2018.
23. I am informed that the CRC Officer had a conversation with the third party on 3 July 2018, in which the CRC Officer explained that the courier would deliver Confidential Access Basic keycard to the nearest post office if Confidential is not home at the time of delivery and the third party stated that a council centre provides a mail collection service. I am informed that the CRC Officer and the third party also discussed arrangements for Confidential to be assisted by a representative of Save the Children Katherine in activating the new card over telephone banking and the CRC Officer provided her direct contact details for that purpose.

SIGNED:

Confidential

Tony Colin Tapsall Confidential

Dated: 4/7/18

³ ANZ's Hardship team is known as "Customer Connect", as mentioned in [58] of my Rubric 4-41 Statement.

Schedule 1

**Part A - Employees of ANZ of whom I have made
enquiries in respect of this supplementary statement**

ANZ employee	Topic on which information was provided
Heang Forbes	Question 6, Rubric 4-13
Maria Elena Antonio	Question 8, Rubric 4-13 Question 11, Rubric 4-13
Rhea Lowela Zapanta	Question 8, Rubric 4-13 Question 11, Rubric 4-13
Melinda Chapman	Question 11, Rubric 4-13 Question 15, Rubric 4-13
Joanna Harris	Question 11, Rubric 4-13 Question 15, Rubric 4-13

