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ANZ accepts Tribunal decision on pre-1996 personal loan errors

ANZ today accepted the decision of the Victorian Consumer and Administrative Tribunal (VCAT) on penalties and compensation relating to customers who incurred financial loss resulting from documentation errors for fixed interest personal loans taken out between 1985 and 1996.

The errors are a breach of the Credit Act in force between 1985 and 1996 in Victoria, New South Wales, Australian Capital Territory and Western Australia, and between 1989 and 1996 in Queensland. The Credit Acts have since been repealed and replaced by the Uniform Consumer Credit Code.

Since 1996, ANZ has overhauled its systems and training procedures ensuring there has been no repeat of the errors and that ANZ is compliant with the Uniform Consumer Credit Code.

Today's VCAT decision, which includes a fine of \$5.25 million and \$850,000 to be paid in compensation to customers, follows a tribunal hearing on 3 December 2002 and settlement earlier this year of a related class action with legal firm Maurice Blackburn Cashman.

ANZ Managing Director Personal Banking and Wealth Management Mr Elmer Funke Kupper apologised to all customers who had been affected by the documentation errors.

"Today's decision on penalties and compensation brings to an end a long running issue over errors that occurred between seven and sixteen years ago," Mr Funke Kupper said.

"There is absolutely no excuse for breaches of consumer regulation and we accept the way ANZ has worked to resolve these issues in the past has not always been in our customers' best interest. We unreservedly accept the Tribunal's findings and the decision on penalties and compensation," he said.

The documentation errors related only to some ANZ fixed interest personal loans taken out between 28 February 1985 and 31 October 1996. The errors ranged from mistakes such as having the wrong date on the credit contract where no financial loss has occurred and compensation is not payable, to compensable errors where there has been financial loss to the customer such as failing to properly rebate credit insurance premiums.

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