

5 December 2018

[personal information]

**YOUR REQUEST UNDER THE OFFICIAL INFORMATION ACT 1982 (OIA)**

1. We refer to your email to the Financial Markets Authority (**FMA**) dated 7 November 2018. You requested the following information in relation to the conduct and culture review of banks (**the review**) under the OIA:

*Could I ask please for a breakdown of the 50 [remediations] anonymised, so I can show the public the kinds of things that happen, and how they are identified, their scale, and how fast they are remediated? Please consider it an OIA request, but, again, I stress, I do not need to know the banks involved.*

2. The information the banks provided to the FMA and the Reserve Bank of New Zealand (**RBNZ**) for the review is subject to a confidentiality order. As a consequence, we have considered the information we hold within the scope of your request (relating to issues for remediation) and provided a summary pursuant to section 16(e) of the OIA.
3. Please note the following points:
  - a) We have summarised the issues being remediated into eight categories and set out the number of remediation activities, the number of affected customers and cost of remediation for each category.
  - b) The number of customers affected and costs are as at the time of the review. In many cases the impact of the issue was still being assessed by the banks, therefore the numbers and costs may not represent the final/exact impacts. This is particularly the case where the impact is currently listed as zero, which is due to impacts still being assessed, rather than the issue not affecting any customers or not incurring any remediation cost.
  - c) In relation your final question – how fast are the issues remediated – we do not hold this information for the majority of issues being remediated. In some cases we know the date that the issue commenced or the date that it was identified, and drew conclusions about how long remediation may take. We comment on this in the Report, please see pages 7 and 25-28 at the following link: [https://fma.govt.nz/assets/Reports/\\_versions/11883/Bank-Conduct-and-Culture-Review.1.pdf](https://fma.govt.nz/assets/Reports/_versions/11883/Bank-Conduct-and-Culture-Review.1.pdf)

**Summary Table**

Remediation categories	Number of remediation activities	Number of customers affected	Sum of Estimated cost of remediation (\$)

Inadequate or incorrect disclosures	4	68,960	144,000
Inappropriate product design and/or suitability of products for particular customers	4	1,112	630,694
Other	1	0	0
Other - incident of poor conduct	3	0	0
Potentially inappropriate unsolicited offers of credit sent to customers	1	0	0
Processing error or inappropriate or incorrect application of bank charges (incl. fees and interest) and discounts/ other benefits	40	496,102	22,993,100
Responsible lending	2	204	108,000
System weaknesses or reliance on manual processes	3	0	0
<b>Totals</b>	<b>58</b>	<b>566,378</b>	<b>23,875,794</b>

4. If you have any further questions please contact [personal information] in the first instance.

Yours sincerely

[personal information]

PUBLICATION SCHEDULE