

Australia's mutual banks bear a heavy compliance burden following Royal Commission

GRC Solutions releases their first Financial Services Benchmarking Report

Australia has around 60 mutual financial institutions providing banking and related services to some 4.5 million Australians. These businesses range in size from less than \$10 million in assets to over \$16 billion.

For many in the mutual banking sector the digital adoption process was already underway prior to the pandemic, enabling a much smoother, more agile, response, and helping to create efficiencies. However, the sector remains resource constrained and continually challenged by the rate and pace of regulatory change still flowing from the Banking Royal Commission and other sources.

This year alone we will see the commencement of:

- new design and distribution obligations commence October 5th, 2021
- new internal dispute resolution systems commence requirements and systems (RG271 replacing RG165)
- the introduction of a deferred sales model for add-on insurance commence
- changes to anti-hawking provisions, and
- a new breach reporting regime. commence October 1st, 2021

The challenge for the sector is how to triage these requirements along with, or on top of, ongoing compliance programs. This challenge is being dealt with against a background of internal constraints including tight compliance budgets, lack of skilled resources, managing and motivating remote workers, and maintaining a compliance culture in our organisations.

GRC Solutions has released their first Financial Services Benchmarking Report. The aim of the report is to provide a view into the current state of compliance in the sector, understand where the current pressures are in the market and where there are opportunities for collaboration and improvement, and to provide a baseline from which the industry can grow compliance capability.

A copy of the report can be downloaded here <https://www.grcsolutions.com.au/>

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