



CUSTOMER CHARTER ANNUAL REPORT 2007

ANZ

MESSAGE FROM BRIAN HARTZER GROUP MANAGING DIRECTOR PERSONAL DIVISION

ANZ's Customer Charter is at the centre of our commitment to Convenience, Simplicity and Responsibility. We believe that by living up to these promises and improving year on year, we will continue to deliver More Convenient Banking.

Our Customer Charter is a living document. It reflects feedback from our people, our community partners, consumer and regulatory bodies — and, most importantly, our customers themselves.

We hold ourselves strictly and publicly accountable to this set of commitments. That means our progress is rigorously monitored, independently assessed, and reported on annually. In this way, we will continue to put customers first.

Some highlights of our Customer Charter performance over the past year include:

- Opening 39 new branches with six of these in rural Australia;
- Opening two full service 7 day a week branches, in addition to the 164 branches offering extended banking hours;
- Installing 390 ATMs, an increase of over 1000 in the past three years;

- Providing Internet Banking to customers 99.5% of the time*;
- Answering all standard personal loan and car loan applications within one working day; and
- Supporting our community partners in delivering MoneyMinded, our financial literacy program for adults, to 22,458 Australians.

Our commitments in the Customer Charter contributed to a number of independent awards received by ANZ over the past 12 months including:

- Money Magazine's Bank of the Year and their Readers Choice for Service Excellence Award;
- 'Best of the Best' award for service excellence at the National Customer Service Institute of Australia (CSIA) Australian Service Excellence Awards;
- Platinum Retail Services of the Year Award for our branch network, judged by the International Customer Service Professionals;
- Innovation in Security and Fraud Management award for our enhanced fraud detection system at the 2007 Financial Insights Innovation Awards;
- Home Lender of the Year again, now having been awarded nine times;**

- Most Sustainable Bank globally in the Dow Jones Sustainability Index (DJSI), and the only Australian company to be assessed as a global sector leader in the DJSI;
- Best Consumer Internet Bank Award in the Australian section of the Global Finance World's Best Internet Banks in Asia Awards; and
- Recognition for leading practice by the Australian Government for our financial literacy work, corporate community investment programs and Reconciliation Action Plan following a major study of Corporate Community Investment and Corporate Social Responsibility.***

In the next 12 months, we will build on our progress and work hard to raise the bar again. As ANZ's Customer Charter champion, it's my belief that our own success will always come from keeping customers—their needs, concerns and wishes—at the heart of everything we do.



Brian Hartzer
Group Managing Director,
Personal Division

* Based on unscheduled outages only.

** Money magazine's Home Loan Lender of the Year 2005, 2006 and 2007. Personal Investor magazine's Home Lender of the Year 1999-2002, 2004 and 2005.

*** Commissioned by the Prime Minister's Business Community Partnership and conducted by the Australian Centre for Corporate Public Affairs and the Business Council of Australia.

2007 CUSTOMER CHARTER PERFORMANCE

PROMISE	COMMITMENT	COMMENTARY	PERFORMANCE
CONVENIENT			
Convenient access	<p>We will:</p> <ul style="list-style-type: none"> ■ maintain our branch presence in the rural communities we serve; ■ continue to expand our branch network by opening new branches; ■ open selected branches on Saturdays and for extended hours on weekdays; ■ keep our call centre open 24 hours a day, 7 days a week; ■ install more than 200 ATMs over the next year; and ■ have our website www.anz.com, Internet Banking, Phone Banking and EFTPOS available at least 99% of the time. 	<ul style="list-style-type: none"> ■ Extended our branch network with 39 new branches, six of those in rural areas and 390 new ATMs. ■ 164 branches have extended opening hours (Thursday or Friday night until 7pm and/or Saturday mornings). ■ Made our customer call centre (13 13 14 and 13 22 73) available 100% of the time. ■ Met availability targets of 99% for anz.com, and EFTPOS. ■ Phone banking was 98.9%, slightly below the 99% availability target. ■ Internet Banking was available 99.5% of the time based on unscheduled outages only. Including all scheduled outages needed to upgrade the Internet Banking platform, availability was 97.5%, below the target of 99%. All scheduled outages occurred outside business hours. 	Partially achieved
Quick, friendly and reliable service	<p>We will:</p> <ul style="list-style-type: none"> ■ aim to serve you within five minutes in our branches; ■ aim to answer your call to our call centre within 60 seconds; and ■ provide you with friendly and reliable service by staff that are qualified to serve you. 	<ul style="list-style-type: none"> ■ 85% of branch customers served within five minutes, 98% served within 10 minutes. Our target is 80% served within five minutes and 95% served within 10 minutes. ■ Average waiting time in branches steady at 2.35 minutes, compared to 2.26 in 2006. Wait time in branches is based on figures from the 213 branches using the Q-matic system. ■ 91% of calls to our retail call centre number (13 13 14) answered within 60 seconds. 92% of calls to the dedicated credit cards call centre (13 22 73) answered within 60 seconds. Our target is 90%. ■ We achieved 77.3% overall customer satisfaction rating for our customer service in branches, compared to 76.9% in 2006. 	Achieved
Swift resolution of complaints	<p>We will:</p> <ul style="list-style-type: none"> ■ aim to resolve your complaint within 48 hours and within a maximum of five business days; ■ let you know who is responsible for resolving your complaint if we expect this to take longer than 48 hours; ■ offer to have your complaint reviewed by our Customer Advocate if we can't resolve it to your satisfaction; and ■ provide you with information on external financial services dispute resolution if you are not satisfied with the steps taken by ANZ to resolve your complaint. 	<p>Complaints received by our Customer Response Centre:</p> <ul style="list-style-type: none"> ■ 100% responded to within 48 hours (98% in 2006).¹ ■ 87% resolved within 48 hours (84% in 2006). Our target is 80%. ■ 92% resolved within five working days (90% in 2006). Our target is 90%. ■ Average of 2.57 days to resolve a complaint (3.21 in 2006). 	Achieved

¹ All 2006 data has been restated to rectify a data collection error which excluded some complaints with a resolution time longer than one month.

2007 CUSTOMER CHARTER

PERFORMANCE CONTINUED

PROMISE	COMMITMENT	COMMENTARY	PERFORMANCE
SIMPLE			
Simple products	<p>We will provide you with clear choices in everyday personal banking accounts:</p> <ul style="list-style-type: none"> an account with either unlimited ANZ transactions for a \$5 monthly fee, or an account which allows you to manage your monthly fees by limiting the type and number of withdrawals you do each month; fee-free Internet Banking for all everyday personal banking accounts; and an everyday personal banking account with unlimited ANZ transactions and no monthly fees for seniors, health care cardholders, people under 18 and Centrelink payment recipients. 	<ul style="list-style-type: none"> Continued to offer clear and simple choices in personal banking accounts, including ANZ Access Basic with unlimited ANZ transactions and no monthly fee for seniors, health care cardholders, people under 18 and eligible Centrelink payment recipients. Internet banking transactions remain fee-free for all everyday personal banking accounts. 	Achieved
Fast account opening	<p>We will refund one month's standard fee or its equivalent if we do not meet our account opening standards:</p> <ul style="list-style-type: none"> have your personal banking account available within 24 hours of satisfying identity requirements; answer standard loan applications quickly: <ul style="list-style-type: none"> personal loan and car loan applications within one business day; home loan applications within two business days; answer your standard credit card application within four business days. 	<ul style="list-style-type: none"> 100% of personal banking accounts available within 24 hours of satisfying identity requirements. 100% of personal loan and car loan applications were answered in one working day and 325,498 out of 325,503 credit card applications answered within four business days. Significant improvement in the performance of our Mortgages business. Of 266,142 standard home loan applications, 98.5% were answered in two working days, up from 96.1% in 2006. 	Partially achieved
Simple and clear communications	<p>We will:</p> <ul style="list-style-type: none"> write our letters, brochures, ATM and website messages and other notices in plain language. 	Customers rated their overall satisfaction 7.9 out of 10 in respect to our communications via letters, statements, brochures, ATM and website messages.	Achieved
RESPONSIBLE			
Privacy	<p>We will:</p> <ul style="list-style-type: none"> keep your personal information private and secure. 	Eighty-eight privacy complaints to our Customer Response Centre, with 57 breaches, compared to 50 complaints and 32 breaches in 2006. ²	Ongoing
Financial Literacy	<p>We will:</p> <ul style="list-style-type: none"> continue to invest in community programs aimed at improving the financial literacy of Australians, particularly the most vulnerable and disadvantaged groups; work through our community partners to: <ul style="list-style-type: none"> deliver our Saver Plus matched savings program to 1,000 low income families who are committed to improving their financial literacy, building a long term savings habit and saving for their children's education; fund the training of financial counsellors and community educators to deliver our MoneyMinded program, aimed at building the skills, confidence and knowledge of low income earners, to 15,000 Australians. 	<ul style="list-style-type: none"> Saver Plus matched savings program delivered to 1,385 low income families. Trained an additional 1,040 financial counsellors and community educators to deliver ANZ's adult financial literacy program, MoneyMinded. Assisted the delivery of MoneyMinded, to 22,458 Australians. 	Achieved ³

² 2006 statistics have been restated to rectify a data collection error.

³ Stretch targets were implemented in 2007 as part of our Corporate Responsibility commitments to financial literacy. Targets were increased to 1,500 families for Saver Plus and 20,000 individuals for MoneyMinded.

2007 CUSTOMER CHARTER

PERFORMANCE CONTINUED

PROMISE	COMMITMENT	COMMENTARY	PERFORMANCE
RESPONSIBLE CONTINUED			
Responsible lending	<p>We will:</p> <ul style="list-style-type: none"> ■ not offer you a credit card limit increase if you have a recent poor credit performance or are struggling to meet repayments on your ANZ credit card – one indicator of this may be that you are only making minimum monthly repayments on that card; ■ not offer you a credit limit increase if we know that you are on a fixed income, for example, receiving a government pension (e.g. old age pension, veteran's pension); ■ provide you with information about easy and efficient ways to reduce your credit card limit; ■ ensure your minimum monthly credit card repayments do not fall below 2% of the outstanding balance, unless: <ul style="list-style-type: none"> ■ you are in financial difficulty and we are assisting with reduced repayments; ■ you have accepted a special offer where for a specified period either no interest or a concessional interest rate is charged and no repayment required; ■ with any credit card limit increase offer: <ul style="list-style-type: none"> ■ outline how much the minimum monthly repayments would increase if the offer was accepted; ■ recommend you reject the offer if your personal circumstances have changed; ■ include information about how to request a lower offer; ■ explain in clear and simple terms how interest on your credit card or loan is calculated and charged, what fees may apply and when, and the consequences of paying late on your credit card; ■ respond to you within 48 hours if you have contacted us by telephone, and within five days if you have contacted us by letter, to advise us of your financial hardship. We may also refer you to an accredited financial counsellor. 	<ul style="list-style-type: none"> ■ No breaches of ANZ's responsible lending promises to protect certain vulnerable customers from credit card limit increase offers. ■ 7,566 customers contacted us regarding financial hardship. No breaches of commitment to respond within 48 hours to customers who advise us by phone of their financial hardship. One breach of promise to respond to customers within five days where they provide written advice of their hardship. 	Partially achieved

OUR RESULTS CONVENIENT

INVESTING IN CONVENIENCE

Over the last three years, we have made a concerted effort to expand our branch and ATM network in metropolitan, regional and rural areas of Australia to make it easier for our customers to do business with us.

In this time, we opened 79 new branches Australia wide increasing our total number of branches (including agencies) to 819⁴. Over the same period we have increased our Australian ATM network to 2,287.

In 2007 we continued on this program opening six new ANZ branches in rural Australia in Mittagong, Kingscliffe, Lismore Square (NSW), Albany (WA), Port Augusta (SA) and Highfields (Qld). In addition, we added 33 new branches in metropolitan areas.

This year we opened our first two full service branches which are open 7 days a week; in Melbourne's Bourke Street Mall and in Brisbane's Queen Street Mall.

CONVENIENT ACCESS: NUMBER OF BRANCHES IN OUR AUSTRALIAN BRANCH NETWORK

Sept 2005	760
Sept 2006	785
Sept 2007	819

Total figure includes four regional agencies and branch mergers and closures.

We now have extended banking hours in 164 branches. There are now 142 branches open on Saturdays, 83 branches on Thursdays and 21 on Fridays for extended hours (until 7pm).

We also announced initiatives for the next three years as part of our commitment to being Australia's most convenient bank, including:

- providing more ATM locations than any major bank;
- rolling out 7 day per week banking in every capital city;
- establishing 50 new local agencies in rural towns;
- adding even more small business specialists in our branches; and
- maintaining a dedicated 24 hour, 7 day per week help desk for Internet Banking customers.

PROVIDING QUICK, FRIENDLY AND RELIABLE SERVICE

This year we achieved a 77.3% overall customer satisfaction rating for our customer service in branches, compared to 76.9% in 2006. Our friendly and reliable service is measured by an outbound calling program with new and existing customers throughout Australia, who have opened a new account in a branch in the last two weeks. The program aims to obtain real feedback from real customers about their account opening experience.

RESOLVING COMPLAINTS SWIFTLY

In 2007, the number of customer complaints to our Customer Response Centre (CRC), the first step in our customer complaints resolution process, increased to 33,903 from 21,483 last year⁵. This increase may be due to a combination of factors. First, we have made it easier for customers to lodge complaints through our website and this is now the second most used channel by customers to raise concerns, after telephone. A new product error which affected some customers' ability to use their credit card drove a sharp increase in complaints from December 2006 to February 2007, as did a consumer organisation led public campaign against exception fees in the middle of the year.

While the number of total complaints has increased, we continue to meet our targets for resolving complaints in a timely manner. We resolved 87% of complaints in 48 hours (against a target of 80%) and 92% within five days (against a target of 90%).

This year we continued to streamline the complaints process in the CRC. In January 2007, we introduced a 'phone prompt' to automatically divert telephone enquiries to this number to the most appropriate area for response so the CRC team could concentrate on complaints resolution.

The position of Customer Advocate was established in 2002 to facilitate prompt and impartial conclusions to more difficult complaints with a focus on the interests of our customers. A full report from the Customer Advocate is available in the [ANZ Corporate Responsibility Report 2007](#).

⁴ Total figure includes four regional agencies and branch mergers and closures.

⁵ 2006 data has been restated to rectify a data collection error which excluded some complaints with a resolution time longer than one month.

OUR RESULTS SIMPLE

PROVIDING SIMPLE PRODUCTS

We continue to work on making our products and services as simple and convenient as possible, both in response to community concerns about complexity in banking and also because there are real business opportunities in providing clear, accessible choices for customers.

In July, we responded to changes in Australian superannuation laws to give customers over 60 years of age more convenient access to their retirement funds. New tax rules introduced in July 2007 allow people over 60 to access their retirement savings tax-free. Accessing superannuation can be a complex and lengthy process. However, the ANZ Prime Cash Management Account was introduced to allow customers of the ING OneAnswer pension product to make withdrawals directly from their superannuation 'at call' and tax free, at a branch or through ATM, EFTPOS or Internet Banking. This gives customers more flexibility, enabling them to access their retirement funds without needing to transfer them into a separate and taxable bank account first.

We have also simplified the way customers nominate a Personal Identification Number (PIN) on their account. Previously all customers were required to visit their local ANZ branch to select their PIN. From September, customers will now have the option of selecting their PIN 24 hours a day, 7 days a week, at any ANZ ATM in Australia.

We were the first bank to simplify the pricing of basic bank accounts and continue to offer concessions on these accounts for some customers.

The ANZ Access Advantage account provides unlimited ANZ transactions for \$5 a month, waived for students, seniors, people under 18 and eligible customers with a disability. ANZ Access Basic is available to health care card holders

and eligible government benefit recipients and provides an unlimited number of ANZ transactions each month and carries no monthly fee.

FASTER ACCOUNT OPENING

159,116 standard personal loan applications and 129,041 standard car loan applications were received this year. All were answered within one business day.

Our Mortgages business has worked hard this year to improve performance on its fast account opening commitment. This work has translated into a significant drop in breaches of the commitment to answer standard applications within two working days. Last year, of 278,257 applications received, 10,790 breaches were identified, resulting in a total of \$107,900 in refunds to customers. That number has dropped this year to 4,079 breaches out of 266,142 applications received, with \$40,790 refunded.

This improvement was aided by an increased focus on the Customer Charter commitment by leaders in our Mortgages business, as well as enhanced monitoring of applications in progress to identify potential breaches before they happen.

Five out of 325,503 credit card applications were not answered within four business days, resulting in \$50 in customer refunds.

SIMPLE AND CLEAR COMMUNICATION

We again measured our performance on this promise through research conducted by the Social Research Centre. Overall satisfaction with ANZ's customer communication in letters, statements, brochures, ATM messages and on the website was 7.9 out of 10, the same rating as last year.

Customers were also asked to rate their satisfaction on more specific questions about ANZ's letters, brochures, ATM messages and other notices. Customer satisfaction on the question of where our communications are written in plain language was rated 8.0 out of 10 compared to 7.9 last year.

More information on simple and clear communication initiatives is available in the [ANZ Corporate Responsibility Report 2007](#).

PERSONAL LOAN APPLICATIONS 2005 – 2007

DATE	APPLICATIONS	BREACHES
Sept 2005	125,038	23
Sept 2006	148,668	0
Sept 2007	159,116	0

CAR LOAN APPLICATIONS 2005 – 2007

DATE	APPLICATIONS	BREACHES
Sept 2005	135,747	127
Sept 2006	137,548	12
Sept 2007	129,041	0

OUR RESULTS RESPONSIBLE

KEEPING PERSONAL INFORMATION PRIVATE AND SECURE

The number of privacy related enquiries and complaints we receive from our customers to our Customer Response Centre (CRC) is used to measure our performance on privacy.

In 2007, 88 complaints were received, 57 of these were confirmed as breaches and all matters were resolved. This compares to 50 complaints received last year and 32 breaches⁶.

IMPROVING FINANCIAL LITERACY

ANZ is committed to improving the financial literacy of Australians, particularly the most vulnerable and disadvantaged groups in our community. This year we continued our investment in financial literacy programs as demonstrated by the following programs:

In 2007, the Saver Plus program expanded from four to 19 locations nationally with 1,385 participating families. The program was developed with the Brotherhood of St Laurence to help families on low incomes improve their financial literacy, set and achieve a savings goal, and establish a long term savings habit. ANZ matches every dollar saved by participants (up to \$1,000) towards primary, secondary or vocational education costs. Saver Plus is delivered by our partners The Smith Family, Berry Street Victoria, The Benevolent Society and the Brotherhood of St Laurence.

Across Australia, 22,458 people participated in MoneyMinded, a financial education program run through group workshops and one-on-one financial counselling. An additional 1,040 facilitators were also trained this year. We fund eight community partners to deliver the program – Berry Street Victoria, The Smith Family, The Benevolent Society, the Brotherhood of St Laurence, Mission

Australia, Anglicare SA, Kildonan Child & Family Services and The Salvation Army (NSW).

We're also looking at ways for MoneyMinded to reach other vulnerable groups within our community, including people from culturally and linguistically diverse backgrounds, refugees, people with disabilities and older Australians. Development funding has been provided to The Smith Family, Berry Street Victoria, The Benevolent Society and the Brotherhood of St Laurence to outline an approach for reaching these new audiences.

MoneyBusiness ran in six remote sites in the Northern Territory and Western Australia in partnership with the Department of Families, Community Services and Indigenous Affairs. The program is managed in the community by local community organisations employing Indigenous staff.

Our partnership with the Traditional Credit Union was extended in the Northern Territory to develop a financial literacy program and strategy for members and staff in Indigenous communities.

In the Shepparton region, the Opening Financial Pathways project continued to improve the capabilities of Indigenous Australians to control, develop and secure their own economic wellbeing.

Our commitment to financial literacy also extends to our customers and in July we made our MoneyMinded adult financial literacy program widely available by launching the full set of training modules online.

More comprehensive information on ANZ's financial literacy and inclusion programs is available in the [ANZ Corporate Responsibility Report 2007](#).

RESPONSIBLE LENDING

ANZ was the first bank in Australia to introduce Responsible Lending commitments as part of our Customer Charter. Under these promises, ANZ will not offer a credit card limit increase to customers with a recent poor credit performance or who are struggling to make repayments on their card or to customers we know are on a fixed income (e.g. receiving a government benefit).

Procedures are also in place to ensure our customers are provided with all relevant information when opening a new credit card account or when offered a credit limit increase. For example, we have information available on our website, www.anz.com, about how customers can manage their credit limit via the 'Manage my Card' section and via our credit card enquiries hotline 13 22 73. The 'Understanding credit card interest' brochure is also available via www.anz.com and the branch network and provides information on how interest is calculated and charged.

With any credit limit increase offered to customers, we ensure that ANZ honours our responsible lending promise by:

- outlining how much the minimum monthly repayment would increase if the offer was accepted;
- recommending that customers reject the offer if their personal circumstances have changed; and
- including information about how to request a lower offer, either by calling 13 22 73 or via the branch network.

Additional information on responsible lending initiatives undertaken this year is available in the [ANZ Corporate Responsibility Report 2007](#).

⁶ 2006 statistics have been restated to rectify a data collection error.

ANZ CUSTOMER CHARTER REPORT 2007



EXTERNAL ASSURANCE STATEMENT

INTRODUCTION

Australia and New Zealand Banking Group Ltd (ANZ) commissioned The Corporate Citizenship Company to provide it with external assurance and commentary on its Corporate Responsibility Report 2007. As a distinct aspect of our assurance we examined performance under the commitments made within this document, ANZ's Customer Charter Report 2007.

ABOUT US

The Corporate Citizenship Company is a specialist management consultancy advising corporations that seek to improve their economic, social and environmental performance around the world. In pursuing our business purpose, we have developed our Assurance Services, which assess corporate systems and activities that underpin corporate responsibility and sustainability reporting. Further information about our company, our key personnel and our clients is available on our website (www.corporate-citizenship.com).

Scope

We have reviewed ANZ's Customer Charter Annual Report which covers the period 1 October 2006 to 30 September 2007. The report presents information about ANZ's performance against the nine promises set out in the Customer Charter.

ANZ's management has prepared the Customer Charter Annual Report and is responsible for its contents. Our work covered an assessment of ANZ's performance against its customer charter commitments; a review of the internal audit process and findings; advice on aspects of report content and presentation; selected checks to underlying corporate records; and provision of this statement for which we have sole responsibility.

This limited assurance statement was conducted with regard to the guidelines of ISAE 3000 (available at: www.ifac.org) standard for conducting non-financial audits. This opinion is based on ANZ's performance against its Charter. It does not extend to an opinion of the performance measures selected by management.

Our opinion

We believe that the customer charter and the annual audit of ANZ's performance against this charter reflect ANZ's commitment to delivering and improving customer service. In conducting our assurance of ANZ's Customer Charter Report 2007 nothing came to our attention to suggest that information or data has been materially misstated.

The Corporate Citizenship Company
www.corporate-citizenship.com