



# Customer Charter Annual Report

2009

# Our Customer Charter and beyond

This year ANZ led the major Australian banks in customer satisfaction in retail banking for the fifth consecutive year<sup>1</sup>. While this is a great achievement, it hasn't meant that we've been content to sit back and relax. At ANZ we're constantly looking for new ways to differentiate ourselves through convenience for our customers, and it's something that we happily commit ourselves to through our Customer Charter, which is independently monitored and assessed.

Our Customer Charter report reflects the collective feedback on how we're going from our customers, staff, community partners, consumer and regulatory bodies.

Our positioning of being convenient remains very important to customers so we are still focused on delivering physical convenience, like shorter queue times and longer branch hours. We also understand that life has become increasingly complicated and at ANZ we strive to make banking simpler, by being transparent, flexible and fair, and easy to do business with. We seek to provide customers with easy access to their money, speedy service and simple, transparent banking.

In addition to these ongoing commitments, in 2009 ANZ committed to work closely with customers experiencing financial hardship as a result of the economic downturn. In response, we have made 12 commitments, including flexible repayment options and additional information on how to manage credit card debt.

Our commitments in the Customer Charter contributed to a number of independent awards and rankings received by ANZ over the past 12 months. These include:

- Ranked Number 1 Bank globally, third year in a row, by the Dow Jones Sustainability Index;
- CANSTAR CANNEX's inaugural award for having the "Most Satisfied Customers" in Australia;
- CANSTAR CANNEX Innovation Excellence Awards for two of our latest market leading products, the ANZ Online Investment Account and SmartyPig; and
- Being named "Socially Responsible Bank of the Year" by Money Magazine and CANSTAR CANNEX.

We have certainly faced some tough external economic conditions this year, so it's more important than ever that we keep our customers' needs at the heart of everything we do. As Customer Charter Champion, I still firmly believe that our customers' success will be our success.



David Lindberg  
Managing Director Strategy, Marketing & Customer Segmentation  
Australia

<sup>1</sup> Roy Morgan Research – Aust Main Financial Institution Pop'n aged 14+, % satisfied (very or fairly satisfied), 6 months rolling data to September 2009. Major Banks include CBA (excluding BankWest), NAB, Westpac (excluding St George).

## 2009 Customer Charter Performance

Promise	Commitment	Commentary	Performance
<b>Convenient</b>			
Convenient access	<p>We will:</p> <ul style="list-style-type: none"> <li>maintain our branch presence in the rural communities we serve;</li> <li>open selected branches on Saturdays and for extended hours on weekdays;</li> <li>keep our call centre open 24 hours a day, 7 days a week;</li> <li>install more than 200 ATMs over the next year; and</li> <li>have our website <a href="http://www.anz.com">www.anz.com</a>, Internet Banking, Phone Banking and EFTPOS available at least 99% of the time.</li> </ul>	<ul style="list-style-type: none"> <li>Despite closing one rural branch, we now have 529 retail branches and 284 rural branches in our network. 110 new ATMs were also installed in convenient locations.</li> <li>An additional fifteen branches have extended their opening hours this year. In total, 258 branches have extended opening hours (Operation times outside of 9:30am – 4:00pm Monday to Thursday and 9:30am – 5:00pm Friday).</li> <li>Our customer call centre (13 13 14 and 13 22 73) was available 100% of the time.</li> <li>The 99% availability targets for <a href="http://www.anz.com">www.anz.com</a>, Internet Banking<sup>2</sup>, Phone Banking and EFTPOS were reached.</li> </ul>	Partially Achieved
Quick, friendly and reliable service	<p>We will:</p> <ul style="list-style-type: none"> <li>aim to serve you within five minutes in our branches;</li> <li>aim to answer your call to our call centre within 60 seconds; and</li> <li>provide you with friendly and reliable service by staff that are qualified to serve you.</li> </ul>	<ul style="list-style-type: none"> <li>80% of customers in our branches were served within five minutes, 95% were served within 10 minutes. Our target is 80% served within five minutes and 95% served within 10 minutes.</li> <li>94% of calls to our retail call centre number (13 13 14) were answered within 60 seconds (83% in 2008). 94% of calls to the dedicated credit cards call centre (13 22 73) were answered within 60 seconds (82% in 2008). We exceeded our target of 90%.</li> <li>Using the Roy Morgan Finance Monitor, ANZ customers rated us 5.7 out of 7 for 'friendly, courteous, knowledgeable staff.'<sup>3</sup> This was the highest result of the peer banks.</li> </ul>	Achieved
Swift resolution of complaints	<p>We will:</p> <ul style="list-style-type: none"> <li>aim to resolve your complaint within 48 hours and within a maximum of five business days;</li> <li>let you know who is responsible for resolving your complaint if we expect this to take longer than 48 hours;</li> <li>offer to have your complaint reviewed by our Customer Advocate if we can't resolve it to your satisfaction; and</li> <li>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.</li> </ul>	<p>Complaints received by our Customer Response Centre:</p> <ul style="list-style-type: none"> <li>97% of complaints were responded to within 48 hours (98% in 2008).</li> <li>79% of complaints were resolved within 48 hours (83% in 2008). Our target is 80%.</li> <li>92% of complaints were resolved within five working days (91% in 2008). Our target is 90%.</li> <li>Our average turnaround is 2.50 days to resolve a complaint (2.87 in 2008).</li> </ul>	Partially Achieved

<sup>2</sup> Based on unscheduled outages only. Scheduled outages were not included in the measurement as the main purpose of scheduled outages is to perform system upgrades and improvements to make it simpler, more secure, and more convenient for our customers to use Internet Banking. All scheduled outages occurred outside of business hours.

<sup>3</sup> Roy Morgan Research – Aust Main Financial Institution Customers, Pop'n aged 14+, 12 months to September '09. MFI Image Statements are rated on a scale of 1 to 7, where 7 = Excellent, 1 = Very Poor. Peer Banks include CBA (excluding BankWest), NAB, Westpac (excluding St George).

## 2009 Customer Charter Performance continued

Promise	Commitment	Commentary	Performance
<b>Simple</b>			
Simple products	<p>We will provide you with clear choices in everyday personal banking accounts:</p> <p>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;</p> <p>fee-free Internet Banking for all everyday personal banking accounts; and</p> <p>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.</p>	<p>ANZ continued to offer clear and simple choices in personal banking accounts, including ANZ Access Basic with unlimited access to ANZ ATMs, Phone and Internet Banking plus branch, cheque and EFTPOS. No monthly fees for seniors, health care cardholders, people under 18 and eligible Centrelink payment recipients.</p> <p>Internet banking transactions remain fee-free for all everyday personal banking accounts.</p>	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> <p>have your personal banking account available within 24 hours of satisfying identity requirements;</p> <p>answer standard loan applications quickly:</p> <p>personal loan and car loan applications within one business day</p> <p>home loan applications within two business days</p> <p>answer your standard credit card application within four business days.</p>	<p>100% of personal banking accounts were available within 24 hours of satisfying identity requirements.</p> <p>165,097 car loan applications out of 165,242 and 161,093 personal loan applications out of 161,096 were answered in one working day.</p> <p>A decrease in the performance of our Mortgages business. Of 327,988 standard home loan applications, 88.9% were answered in two working days, down from 94.7% in 2008.</p> <p>398,959 credit card applications out of 398,975 were answered within four business days.</p>	Partially achieved
Simple and clear communications	<p>We will:</p> <p>write our letters, brochures, ATM and website messages and other notices in plain language.</p>	<p>Through the existence of the plain language guidelines, we continued to write our content in plain English to ensure communication to our customers is clear, simple and transparent.</p>	Achieved

## 2009 Customer Charter Performance continued

Promise	Commitment	Commentary	Performance
<b>Responsible</b>			
Privacy	We will: keep your personal information private and secure.	169 privacy events were registered in 2009 compared to 149 in 2008	Ongoing
Financial Literacy	We will: 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: deliver our Saver Plus matched savings program to 1,500 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 30,000 Australians.	We have continued our investment in flagship programs to improve the financial literacy of Australians. This includes Saver Plus, MoneyMinded, MoneyBusiness, My Moola and our ongoing partnership with the Traditional Credit Union.  ANZ's Saver Plus matched savings and financial literacy program reached 1,194 new participants this year. More than 5,000 participants have enrolled in the program since Saver Plus was launched in 2003. We are currently working with our community partners and the Federal Government to expand Saver Plus , making it available to around 7,600 new participants in more than 50 communities across Australia by 2011.  This year we funded the training of an additional 746 facilitators to deliver our MoneyMinded financial education program in local communities. 25,669 people participated in MoneyMinded this year (Australia only) including 488 ANZ staff members who completed our on-line program. MoneyMinded has now been extended to New Zealand.	Partially Achieved

## 2009 Customer Charter Performance continued

Promise	Commitment	Commentary	Performance
Responsible lending	<p>We will:</p> <p>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;</p> <p>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);</p> <p>provide you with information about easy and efficient ways to reduce your credit card limit;</p> <p>ensure your minimum monthly credit card repayments do not fall below 2% of the outstanding balance, unless:</p> <p>you are in financial difficulty and we are assisting with reduced repayments;</p> <p>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;</p> <p>with any credit card limit increase offer:</p> <p>outline how much the minimum monthly repayments would increase if the offer was accepted;</p> <p>recommend you reject the offer if your personal circumstances have changed;</p> <p>include information about how to request a lower offer;</p> <p>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;</p> <p>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.</p>	<p>There was no breach in ANZ's responsible lending promises to protect certain vulnerable customers from credit card limit increase offers.</p> <p>17,667 customers contacted us regarding financial hardship in relation to their credit card repayments. There was no breach of this commitment to respond within 48 hours to customers who advised us of their financial hardship by phone. However, there were two breaches of the promise to respond to customers within five days where they provided written advice of their hardship.</p>	Partially Achieved

## Our Results – Convenient

### Investing in convenience

We continue to meet our performance target for our website [www.anz.com](http://www.anz.com), Phone Banking, Internet Banking<sup>4</sup> and EFTPOS being available 100%, 99.2%, 99.9% and 99.3% respectively.

Over the past 12 months, we have added 110 new ATMs and have delivered an availability of 98%, exceeding the target of 97%.

One rural branch closed this year in Charles Sturt University (outside Wagga Wagga in NSW). However, we also opened one rural branch in Narooma (NSW). We now have over 800 branches in Australia.

We now have extended banking hours in 258 branches.

- 8 branches open for extended hours on Sundays
- 134 branches open for extended hours on Saturdays
- 216 branches open for extended hours on Thursdays
- 130 branches open for extended hours on Fridays<sup>5</sup>.

We also launched other initiatives in line with our 'simple and more convenient' commitment including:

- introducing ANZ MoneyManager to provide both ANZ and non-ANZ customers with access to a single online view of their financial information and automated budgeting and reporting tools;
- launching the ANZ Online Investment Account, an account which looks and feels like an online savings account, but unlike a savings account, the money is spread across the 200 biggest publicly listed companies on the Australian share market; and
- launching SmartyPig, which uses social networking sites to help customers save for specific goals. Customers can track their progress via sites such as Facebook and MySpace and family and friends can securely contribute to the person's savings goal online.

### Providing quick, friendly and reliable service

ANZ staff are trained with a real focus on putting 'the customer first' and are involved in regular coaching from line managers. Using the Roy Morgan Research Finance Monitor, ANZ customers rated us 5.7 out of 7 for 'having friendly, courteous, knowledgeable staff'<sup>6</sup>. This was the highest result among the peer banks. ANZ also continued to lead the four major banks in customer satisfaction<sup>7</sup>.

In 2009, 94% of calls to our retail call centre number (13 13 14) were answered within 60 seconds (83% in 2008). 94% of calls to the dedicated credit cards call centre (13 22 73) were answered within 60 seconds (82% in 2008). We were able to achieve these outcomes as a result of a change to our call centre operating model which improves our ability to answer customer calls quickly.

### Resolving complaints swiftly

In 2009, the number of customer complaints to our Customer Response Centre totalled 50,422; a 21% uplift on 2008. The increase in complaint volumes reflects the deteriorating economic climate over the year and is consistent with trends across numerous industries.

This year we have focussed on increasing customer satisfaction with the complaints resolution process by ensuring a consistent process for customers regardless of which channel they use, as well as ensuring staff have the right skills to respond appropriately to complaints.

Key initiatives have included the consolidation of previously independent complaint teams, redefining the escalation process for Branches and our Call Centre and making it easier for our customers to lodge a complaint online by providing a link on the homepage of [anz.com](http://anz.com).

Despite the increase in complaint volumes, complaints continued to be resolved in a timely manner with 92% resolved within five days (against the target of 90%) and we fell slightly short at meeting the target of resolving 80% of complaints within 48 hours at 79.3%.

<sup>4</sup> Based on unscheduled outages only

<sup>5</sup> Excluding Foreign Exchange branches.

<sup>6</sup> Roy Morgan Research – Aust Main Financial Institution Customers, Pop'n aged 14+, 12 months to September '09. MFI Image Statements are rated on a scale of 1 to 7, where 7 = Excellent, 1 = Very Poor. Peer Banks include CBA (excluding BankWest), NAB, Westpac (excluding St George).

<sup>7</sup> Roy Morgan Research – Aust Main Financial Institution Pop'n aged 14+, % satisfied (very or fairly satisfied), 6 months rolling data to September 2009. Major Banks include CBA (excluding BankWest), NAB, Westpac (excluding St George).

## Our Results – Simple

### Providing simple products

We continue to work on making our products and services as simple and convenient as possible for our customers by simplifying the pricing of basic bank accounts and continuing to offer concessions on these accounts for eligible customers.

The ANZ Access Advantage account provides customers with unlimited access to ANZ ATMs, Phone and Internet Banking plus branch, cheque and EFTPOS. The monthly account service fee is \$5.

ANZ Access Select account allows customers to manage their monthly fees by limiting the type and number of withdrawals each month. ANZ Access Basic is available to health care card holders as well as eligible government benefit recipients. This account provides customers with unlimited access to ANZ ATMs, Phone and Internet Banking plus branch, cheque and EFTPOS, with no monthly account service fee.

Beyond our commitments, we also offer the ANZ Access Limited account which is free of exception fees, which continues to extend on ANZ's efforts in our commitment to help customers avoid fees caused by an overdrawn account. This product carries a \$6 monthly account keeping fee and allows unlimited access to ANZ ATMs, Phone and Internet Banking plus branch, cheque and EFTPOS.

All of these accounts provide the customer with the ability to make automatic debits to repay home loan, personal loan and credit card accounts.

### Faster account opening

165,097 car loan applications out of 165,242 and 161,093 personal loan applications out of 161,096 were answered in one working day. 398,959 credit card applications out of 398,975 were answered within four business days.

Our mortgage business has had a challenging year with respect to its fast account opening commitment. Impacted by credit policy tightening and increased application volumes, 36,446 of the 327,988 mortgage applications received were not actioned within two business days. Customer research has shown that in line with customer expectations, the target for account opening in 2010 will be revised to four business days. In response to customer feedback, the refund equivalent to one month's standard fee was not provided in 2009. Australia Operations are committed to reducing the breach rate next year. Additional resources have been added, and initiatives are underway to improve the prioritisation process with applications.

### Simple and clear communication

Through the existence of the plain language guidelines, we continued to write our letters, brochures, ATM and website messages and other notices in plain English to ensure communication to our customers is simple and clear.



## Our Results – Responsible

### Keeping personal information private and secure

In the current year, we continue to use the same definition of a Privacy Event, developed in 2008, to measure our commitment in keeping customer's personal information private and secure. A privacy event is deemed to be an occurrence involving inappropriate disclosure that may cause the privacy of our customers to be impacted.

In 2009, there were 169 privacy events identified, with all events resolved. This compares to 149 privacy events identified in 2008.

### Improving financial literacy

We have continued to invest in community programs aimed at improving the financial literacy of Australians, particularly the most vulnerable and disadvantaged groups.

Saver Plus, a financial literacy and matched savings program developed by ANZ and the Brotherhood of St Laurence is now delivered in 20 locations across Australia in partnership with The Brotherhood of St Laurence, The Smith Family, The Benevolent Society and Berry Street Victoria. The partners have reached over 5,000 participants since 2003 and will extend the program to 50 communities assisting an additional 7,600 new participants by 2010 with support from the Federal Government.

Saver Plus helps families on low incomes to achieve a savings goal and establish a long term savings habit. Between 1 October 2008 to 30 September 2009, 1,194 new families had commenced the program. The global economic crisis, including additional financial stress and uncertainty experienced by low-income people has contributed to slightly lower participation than in previous years.

MoneyMinded reached more than 25,000 people in Australia this year. 25,669 people participated in a MoneyMinded workshop and many more people participated in our on-line programs at [www.moneyminded.com.au](http://www.moneyminded.com.au). We also funded the training of an additional 746 facilitators to deliver our MoneyMinded financial education program in local communities around Australia. These facilitators generally work with out community partner organisations or as financial counsellors and use the resource regularly in their service delivery. MoneyMinded has also been extended to New Zealand.

MoneyBusiness, a financial literacy program designed specifically for Indigenous communities in partnership with the Department of Families, Housing, Community Services, and Indigenous Affairs (FaHCSIA) is now available in 60 remote communities across WA, NT and QLD, and 4 remote communities in South Australia.

Local staff, appointed from within Indigenous communities, manage the program and the delivery of community education based on the MoneyBusiness resources. The training materials are regularly reviewed and 3 new topics; Managing paperwork, Home ownership and Tenancy will soon be incorporated into this resource. An animated MoneyBusiness DVD has also been created as an additional and accessible resource for Indigenous communities.

ANZ has extended its financial literacy partnership with the Traditional Credit Union (TCU) for members and staff in remote Indigenous communities in the Northern Territory. A TCU financial literacy worker has continued to engage with staff, stakeholders and community members in Wadeye and Milingimbi to assist with money management skills and building financial understanding and capability.

ANZ has continued its support of My Moola (supported by First Nations Foundation and ANZ) in the Shepparton region of Victoria. My Moola aims to improve the capability of indigenous Australians to control, develop & secure their own economic wellbeing. The project includes development of a financial literacy program for the local Indigenous community that focuses on assisting individuals / families / communities to:

- understand the way finance-related expectations, values, needs, aspirations and decisions can impact on their lives;
- improve their knowledge of the costs, risks and benefits of financial instruments;
- identify & engage tailored financial pathways to assist them to achieve their personal & group goals.

### 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).

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.

In 2009 ANZ committed to work closely with customers experiencing financial hardship as a result of the economic downturn. Initiatives include:

- process improvements to allow for quicker turn around times in assessing hardship;
- launching a dedicated 1800 hardship hotline;
- introducing a Financial Counsellor role to provide financial counsellors with a channel to help manage exceptions; and
- engaging an independent consultant to review, benchmark, and provide recommendations on our hardship processes.



# ANZ Customer Charter Annual Report 2009

## External assurance statement

### Introduction

Australia and New Zealand Banking Group Ltd (“ANZ”) commissioned Corporate Citizenship to provide external assurance and commentary on its Corporate Responsibility Report 2009. As a distinct component of our assurance we examined performance under the commitments made within this document, ANZ’s Customer Charter Annual Report 2009.

### About us

Corporate Citizenship 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 strategy, systems, activities and initiatives 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](http://www.corporate-citizenship.com)).

### Scope

We have reviewed ANZ’s Customer Charter Annual Report which covers the period 1 October 2008 to 30 September 2009. The report presents information about ANZ’s performance within Australia against the nine promises set out in the Customer Charter.

ANZ’s management has prepared the Customer Charter Annual Report 2009 and is responsible for its contents. Our work covered an

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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, specifically around promises concerning Quick, friendly and reliable service (Promise 2), Swift resolution of complaints (Promise 3), Simple products (Promise 4) and Responsible Lending (Promise 9); 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](http://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**

ANZ's focus on improving customer service is reflected by its performance under this charter. Transparent about shortcomings and under-performance it reflects the standards of service a customer can expect. In conducting our assurance of ANZ's Customer Charter Annual Report 2009 nothing came to our attention to suggest that information or data has been materially misstated.

