

14 December 2015

Jennifer Lyons

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ePaymentsCode@asic.gov.au

Dear Ms Lyons,

Re: ePayments Code Modification

Thank you for the opportunity to respond to ASIC's proposed modification to clause 21 of the ePayments Code (the Code). We generally support the proposed modification to clause 21 and we broadly welcome steps to remove unnecessary obstacles to providing disclosure electronically as long as doing so does not remove the ability for consumers to choose to receive paper documents.

As in all types of disclosure, we believe consumers should be given a genuine choice of delivery mechanism, after being given appropriate information about the nature of the information that will be supplied via that mechanism. Financial Service Providers should also have some obligation to check in with consumers to ensure important disclosures are being received.

We have submitted the following information in past consultations but it bears repeating. There are multiple reasons why not all consumers benefit from making electronic disclosure the default for all disclosure in financial services.

1. Low income consumers who do have reliable internet access may only have access through their phones. FSPs should ensure that disclosure documents delivered electronically should be accessible through all devices.
2. Clients with email addresses may not have easy access to the internet. Some can only access the internet occasionally at public libraries, or at the homes of friends. When our financial counsellors need to email documents to clients, some clients nominate addresses belonging to family members or friends.
3. Many people are eager to keep their financial dealings private, especially those in financial trouble. People may not want to open and read financial documents sent by email if they can only access email in public places. Electronic delivery may cause some consumers shame and distress if the notices are opened in the presence of others (for example if the consumer only accesses email at a library or at a friend's house). Consumers may not want to open even standard disclosure documents if they relate to a product or provider that is typically used by people in financial distress.
4. Others simply have a preference to deal with financial or important documents on paper, and people are more likely to engage with disclosure documents if they have choice about how they receive them.

Financial Rights only has two specific comments relating to the marked-up sections of the ePayments code:

1. A subclause should be added to Clause 21.1 to ensure that disclosure documents delivered electronically are accessible through all devices, especially mobile phones; and
2. Clause 21.1 (d) (right to obtain a paper copy) should be amended to include “at no cost”. Consumers without access to internet are often low-income and/or disadvantaged and should not bear the cost of a paper copy.

Thank you again for the opportunity to comment. If you have any questions or concerns regarding this submission please do not hesitate to contact the Financial Rights Legal Centre on (02) 9212 4216.

Kind Regards,



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