

## Governance and oversight

**Customer outcome:** customers will receive a fair outcome when taking out a consumer credit product and throughout the whole customer lifecycle, wherever the interaction with the customer takes place.

**Firms will achieve this:** with systems, controls and governance arrangements that ensure that there is effective senior management oversight of the Firm's achievement of the customer outcomes contained in the Standards of Lending Practice.

---

- GO1. Firms should have adequate governance, policies, processes, management information and controls to enable effective oversight of adherence to standards and delivery of fair customer outcomes.
- GO2. Firms should have an effective risk management framework appropriate to the size of the Firm to ensure that the Standards of Lending Practice are achieved.
- GO3. Firms should ensure that their employees and their agents are adequately trained to deliver the Standards of Lending Practice's customer outcomes, and that any incentive schemes are driving the right behaviours to ensure fair customer outcomes.
- GO4. Firms should have systems in place to ensure that any failure to adhere to the Standards of Lending Practice are identified, and assessed for materiality and root cause. Where the materiality threshold is met, these are reported to the LSB and remediated in a timely manner.
- GO5. Firms should have processes in place to identify when changes to the Standards of Lending Practice are made and to ensure that these are effectively incorporated within policies, processes and systems.
- GO6. Firms should ensure that when systems or processes are changed, or products are introduced or changed, the impact on meeting the Standards of Lending Practice is adequately assessed.
- GO7. Where part of the credit process/life cycle is outsourced, firms should:
  - a. undertake effective and robust due diligence in selecting a third party to ensure that it can meet the Standards of Lending Practice and deliver the required customer outcomes; and
  - b. exercise effective ongoing oversight of the third party to ensure that it is meeting the Standards of Lending Practice and delivering the required customer outcomes.
- GO8. Firms should have a robust complaints management process in place to deal with Standards of Lending Practice-related complaints and to undertake root cause analysis. [DISP]
- GO9. Firms should assign an appropriately skilled and senior individual with accountability for overseeing that the Standards of Lending Practice are being adhered to and customer outcomes achieved, and for ensuring that remedial action is instigated where this is not happening.