



2003-2004
Credit Union Dispute Resolution Centre
Annual Report

Covering the period 1 September 2003 to 31 August 2004





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Message from the Chairman

During 2003-2004, the Credit Union Dispute Resolution Centre has continued to receive and deal with disputes from customers of its member credit unions, while also taking steps to make the service more accessible and understandable to customers and to enhance its working relationships with credit unions, with the objective of efficiently resolving disputes as quickly as possible.

The Centre is available to all customers who have disputes with its member credit unions and its success depends on the ability of those customers to be able to access it, with relative ease, regardless of where they are in Australia. In this regard, it is encouraging that the vast majority of disputes in the current year were brought by individuals, many of whom resided outside capital cities.

During the year in review, the Board of the Centre surveyed the credit unions who are members of the Centre. The results of the survey were pleasing: overall, around 88% of those surveyed

regarded the performance of the Centre to be excellent or good or acceptable.

As far as members of credit unions accessing the Centre are concerned, it appears that the Centre's policy of dealing with as many disputes as possible "on the telephone" has found favour. And credit unions also support this approach given that it provides an opportunity for prompt dispute resolution.

CUDRC is due to review its operations during the calendar year 2005 and expects as part of that process to test its performance once again.

Tom Sherman, AO
Chairman
Credit Union Dispute Resolution Centre Board



Dispute Manager's Foreword

I am pleased to present the eighth annual report for the Credit Union Dispute Resolution Centre.

During the 2003-2004 reporting year, CUDRC saw a slight increase in the number of enquiries and cases brought to it by users of credit union services, with 1,998 telephone calls and 1,400 enquiries. Of these 84.4% of enquiries fell within the Centre's Terms of Reference. Of the 218 enquiries falling outside the Terms of Reference, the main reason for this was that the credit union in question was not a member.

CUDRC opened 144 new cases, following the receipt of written disputes about participating credit unions. The receipt of these written disputes was consistently between 10 and 15 per month.

The role of CUDRC is to investigate and attempt to resolve disputes which cannot be resolved between the parties. The investigation process does not commence until the dispute has been referred to the credit union and it is clear that no resolution has been reached. During the reporting period, of the 155 cases closed, 77.4% were closed after being resolved by the parties and without an investigation. This resolution rate is pleasing, but is an area of performance which could be further improved.

Disputes about payment systems (particularly unauthorised transactions from ATMs), deposit accounts and consumer finance dominated the complaint categories during the year. Within the consumer finance product group, unauthorised transactions on credit card accounts were raised as an issue in 25% of cases.

Integral to a successful dispute resolution scheme, is good communication between the dispute resolution service and participants, to ensure that participants are kept up to date with issues of importance, and procedures for dealing with disputes.

During the reporting year, CUDRC continued to promote the operation of the Centre and to provide guidance on its approach to particular issues with the release of Bulletins 3 and 4 and a series of seminars for participating credit unions in Sydney, Melbourne and Brisbane.

As noted, disputes about unauthorised transactions on accounts formed a significant proportion of disputes during the year. The seminars conducted by the Centre provided information and guidance about its approach to EFT disputes and application of the revised EFT Code. The aim is to assist credit unions to deal appropriately with EFT disputes internally, and should result in a decrease in the number of EFT enquiries and disputes brought to the Centre in coming years. Indeed, towards the end of the reporting year, the number of disputes in this area started to trend down.

The Centre also took steps during the year to make its procedures more understandable and accessible to disputants, with the revision of the "How to resolve your dispute" brochure in January 2004, to make it more concise and reader-friendly.

These steps towards better understanding of the dispute resolution procedure will continue during the coming year. Also, the Centre will continue to work with credit unions to promote amongst officers of credit unions a better understanding of how the Centre works.

Colin Neave
Credit Union Dispute Manager



About the Credit Union Dispute Resolution Centre

The Credit Union Dispute Resolution Centre ('CUDRC') was established on 1 November 1996 by the Credit Union Services Corporation (Australia) Limited ('CUSCAL') as an independent and impartial dispute resolution scheme for participating credit unions and their members.

On 30 August 2002, the Australian Securities and Investments Commission ('ASIC') approved CUDRC as a dispute resolution scheme under ASIC Policy Statement 139.

Structure and Governance

CUDRC is a proprietary company, limited by shares. The objects of the company are to conduct and promote a credit union industry dispute resolution scheme involving participating credit unions and credit union members. CUDRC is funded by participating credit unions.

The Board of CUDRC is made up of an independent Chair and an equal number of consumer and credit union representatives. The Board's responsibilities include:

- determining the Terms of Reference for CUDRC;
- approving the budget;
- determining how participating credit unions will be levied to raise the funds to operate the Scheme;
- appointing the Credit Union Dispute Manager;
- monitoring the operation of the scheme; and
- providing guidance and assistance to the Credit Union Dispute Manager on policy issues.

The Board does not have any role in investigating or resolving disputes.

As at 31 August 2004, the Board comprised:

Chairman	Mr Tom Sherman, AO
Industry Directors	Ms Louise Petschler Mr Peter Ford
Consumer Directors	Mr Tony Devlin Mr Gordon Renouf

Credit Union Dispute Manager

A Credit Union Dispute Manager, appointed by the Board, carries out the functions of dispute resolution and day to day management of CUDRC.

Since 1 September 2002, the Banking and Financial Services Ombudsman Limited (BFSO) has performed the role of Credit Union Dispute Manager and employs dedicated staff to carry out the CUDRC functions.

CUDRC retains its own identity, separate from BFSO, through a dedicated website and email address, and its own letterhead and documentation.

CUDRC staff and roles

During the reporting period, the following people carried out the Centre's functions:

Dispute Manager

The Dispute Manager considers disputes within the Scheme's Terms of Reference and facilitates the satisfaction, settlement, and resolution of such disputes. Also responsible for the overall management of the Scheme.

Colin Neave

Colin has had extensive experience in dispute resolution and management in the financial services sector, having been the Banking and Financial Services Ombudsman since February 1996. He was appointed the Credit Union Dispute Manager in September 2002.

Case Manager

The case manager investigates disputes and resolves them through the provision of written findings, facilitating negotiation between the parties, as well as convening conciliation conferences so that resolution is reached within reasonable time frames.

Thanh Lu

Thanh was employed as a full-time case manager for CUDRC in September 2002. Prior to taking up this position, Thanh worked with Australian National Credit Union (formerly Endeavour Credit Union) for 4½ years. He has also had nearly 20 years experience working at a major bank.

Case Officer

The case officer provides the telephone service to credit union members, offers information about CUDRC jurisdiction and procedures, and provides callers with appropriate referral to participating credit unions. The case officer classifies and summarises written disputes as well as investigating some disputes not resolved by the relevant credit unions.

Terry Boocock

Terry was appointed as the part-time CUDRC case officer in September 2002. Before joining BFSO's small business unit in 1998, Terry had 36 years experience in banking and lending. This included 13 years experience in back office processing, which has given him a detailed understanding of the interactions between credit unions, CUSCAL, and the banks.

These staff members are also supported by:

General Manager	Ms Diane Carmody
Legal Counsel	Mr Philip Field
EFT Manager	Mr Laurie O'Keefe
Privacy Manager	Ms Jillian Brewer
Policy Adviser	Ms Jacqueline Rush
Communication Systems Manager	Mr Harry Ganavas
Information Systems Manager	Mr Peter Maxwell
Finance Manager	Ms Jill Keating



Overview of CUDRC Processes and Procedure

The functions and powers of CUDRC and the Credit Union Dispute Manager are set out in the Centre's Terms of Reference, approved by the Board. The Dispute Manager can develop more detailed dispute resolution procedures that are consistent with the Terms of Reference.

Terms of Reference

Who may use the service?

CUDRC's service is open to individuals and small businesses who have complaints about credit unions that are members of CUDRC.

A "small business" is an incorporated or unincorporated business that, when the events relating to the dispute occurred, had:

- less than 100 full time (or equivalent) employees, if the business is or includes the manufacture of goods; or
- less than 20 full time (or equivalent) employees, if the business is of another nature.

Complaints

CUDRC can consider complaints about any act or omission by a credit union, in relation to a credit union product or service. It can also consider complaints about breaches of confidentiality or personal privacy.

Resolution times

CUDRC cannot consider a matter until the relevant credit union has been given an opportunity to resolve it. However, an upper limit of 45 days is placed on the time that a credit union is given to resolve a matter internally. If a matter is not resolved within this time, the member can refer a written dispute to CUDRC for investigation.

The Dispute Resolution Process

Figure A: CUDRC Dispute Resolution Process

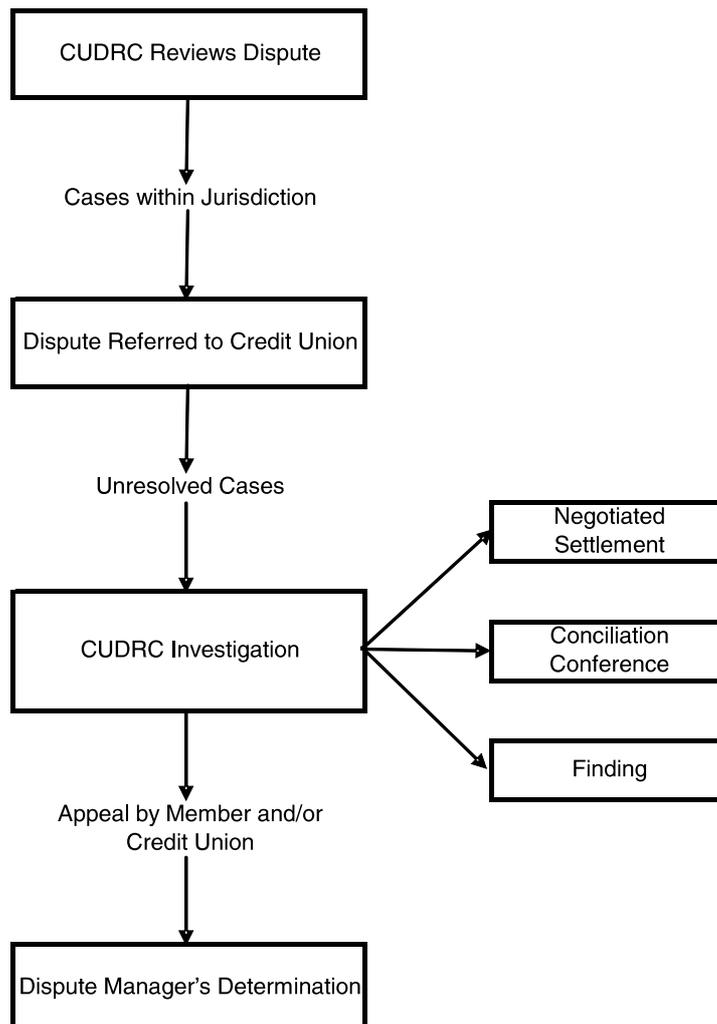


Figure A shows the dispute resolution process which operates at CUDRC

Stage one: Telephone enquiries

All telephone enquiries to CUDRC are initially captured by the Financial Services Referral Centre (formerly Banking Insurance Invest Assist) telephone referral centre, a co-operative venture between the Financial Industry Complaints Service Limited, Insurance Enquiries and Complaints Limited and BFSO.

If the enquiry involves a participating credit union, an enquiries officer will refer the caller to the CUDRC Case Officer. If the matter is outside CUDRC's Terms of Reference, the Case Officer will advise the caller of other organisations that may be able to assist. If the matter appears to be within the Terms of Reference, the matter moves to Stage two.

Stage two: Referral to credit union

If the caller has not yet approached the credit union directly, the Case Officer will first advise him or her to contact the relevant credit union and try to resolve the matter. The Case Officer will also provide contact details of the department nominated by the credit union to deal with customer disputes, and information about how to lodge a written dispute if the matter is not resolved.

CUDRC cannot consider a matter until the earlier of either:

- 45 days elapsing since the member lodged the complaint with the credit union's dispute resolution process, with the matter remaining unresolved; or
- notification by the member to the credit union that its formal proposal to resolve the dispute is unacceptable.

In some cases, if the dispute is unresolved after the caller has contacted the credit union, the Case Manager may try to resolve the dispute informally. In these "telephone cases", the Case Manager liaises with the credit union by telephone, and the matter may be resolved without any need for the member to lodge a written dispute. This process is often used where the amount in dispute is very small, or the issues in dispute are quite straightforward.

Stage three: Lodging the dispute

Complaints that have not been resolved by the credit union to the member's satisfaction within 45 days, can be lodged as a written dispute with CUDRC.

Disputes can also be directly referred to CUDRC by the credit union, if the member consents to the referral in writing.

After receiving a written complaint, the Case Officer assesses whether the dispute falls within CUDRC's Terms of Reference.

If the dispute falls within the Terms of Reference, the Case Officer will seek the member's written authority to investigate the dispute and the credit union will be advised of the lodgement of the dispute and encouraged to resolve it directly with the member. Once the authority is received, the Case Officer can formally refer the dispute to the credit union, giving the credit union a final opportunity to resolve the dispute before the Case Manager investigates.

The credit union must respond within 30 days.

Stage four: Investigation and resolution

If the dispute remains unresolved, a Case Manager will investigate the dispute by collecting and examining all relevant documents and

information. The Case Manager can also seek advice from a Financial Services Adviser or Legal Counsel, in appropriate cases.

Once an investigation has commenced, a dispute can be resolved in one of the following ways:

Negotiated settlement – The parties to the dispute may come to an agreement as to how it should be resolved, with the terms of settlement confirmed in writing.

Conciliation conference – The Dispute Manager may convene a conference in order to discuss the case, with the view to reaching resolution at the conference. The terms of any resolution are set out in a written heads of agreement.

Finding – The Case Manager may issue a written Finding, setting out his or her views of the merits of the dispute. If both parties accept the Finding, the file is closed.

Determination – If a Finding is not accepted by either party, the Dispute Manager can issue a Determination setting out how he considers the matter should be resolved. If accepted by the member, a Determination is binding on the credit union. If the credit union member rejects a Determination, CUDRC cannot consider the dispute further, and will advise the member of other avenues of redress that may be available.

Recommendation – The Dispute Manager can issue a Recommendation where the total of claims against the credit union exceeds \$100,000. If both parties accept a Recommendation, it becomes a binding Determination. If the member rejects a Recommendation, CUDRC cannot consider the dispute further. If the credit union rejects a Recommendation, it can choose whether or not to have the dispute independently arbitrated. If the credit union does not want to have the matter arbitrated, CUDRC will not be able to consider the matter further.

In considering a complaint, or making a Determination, or Recommendation, the Dispute Manager must observe applicable rules of law, judicial authority, and precedent. The Dispute Manager must also have regard to applicable industry codes (including the Credit Union Code of Practice and the EFT Code of Conduct), good industry practice, and what is fair and reasonable in all the circumstances.



The Centre's operations over the reporting period

This section provides statistical information about the operation of CUDRC over the reporting period (1 September 2003 – 31 August 2004).

Information on enquiries and disputes is captured in CUDRC's Case Information Management System (CIMS). In CIMS, CUDRC staff members record the details of each enquiry or case, including the name of the relevant credit union, the product type to which the complaint relates, and the main problem or problems identified by the disputant.

Users of CUDRC

CUDRC's dispute resolution service is free to individuals and small businesses.

The Centre is based in Melbourne, but provides a local call number for all callers outside Melbourne, ensuring that they are not financially disadvantaged in making an enquiry or lodging a dispute. Sometimes a face-to-face meeting is considered desirable, so CUDRC ensures that it takes place at a location convenient to the disputant, and covers any reasonable costs incurred by the disputant in attending the meeting.

If disputants are experiencing difficulties lodging their dispute, due to language problems or disability, staff can assist by:

- meeting with disputants to identify the grounds of their dispute;
- providing translation services; and

- assisting to write the initial letter of complaint.

Table 1 below shows that, as in the previous reporting year, CUDRC was used predominantly by individuals. Small businesses were responsible for less than 5% of the enquiries and disputes lodged with CUDRC.

Table 1: Users of CUDRC

	Individuals	Incorporated businesses	Unincorporated businesses
Written disputes	95.8%	2.1%	2.1%
Phone enquiries	96.7%	0.9%	2.4%

Figures B and C below compare the number of users of the scheme (both individuals and small businesses) with the percentage of adult population in each state and territory. The graph indicates an over-representation of users from South Australia, Tasmania, the Northern Territory and the Australian Capital Territory and under-representation in Queensland and Victoria. However, as noted in the previous annual report for the Centre, consumers eligible to use the Centre are not necessarily distributed between states in a way that is proportionate to the overall population.

Figure C shows that in New South Wales, South Australia, Tasmania and Northern Territory, users are more likely to reside outside the capital cities, while in Victoria, Queensland and Western Australia, non-capital city residents were under-represented.

Figure B: All Users of the Scheme

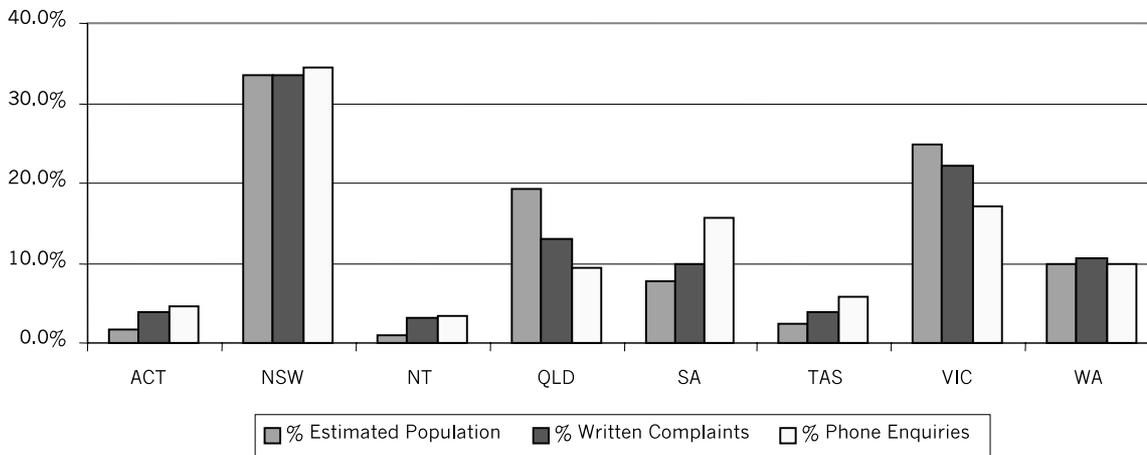
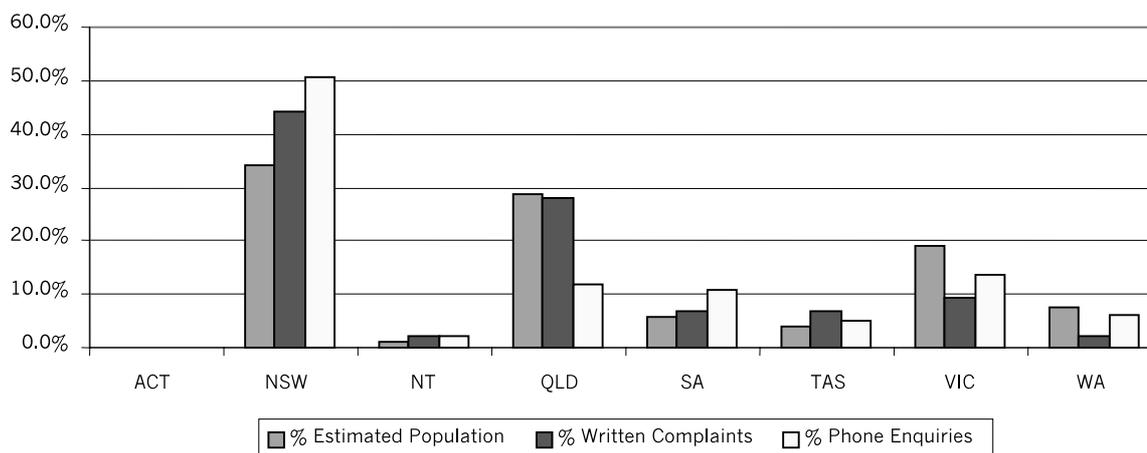


Figure C: Non Capital City Users of the Scheme



Telephone Service

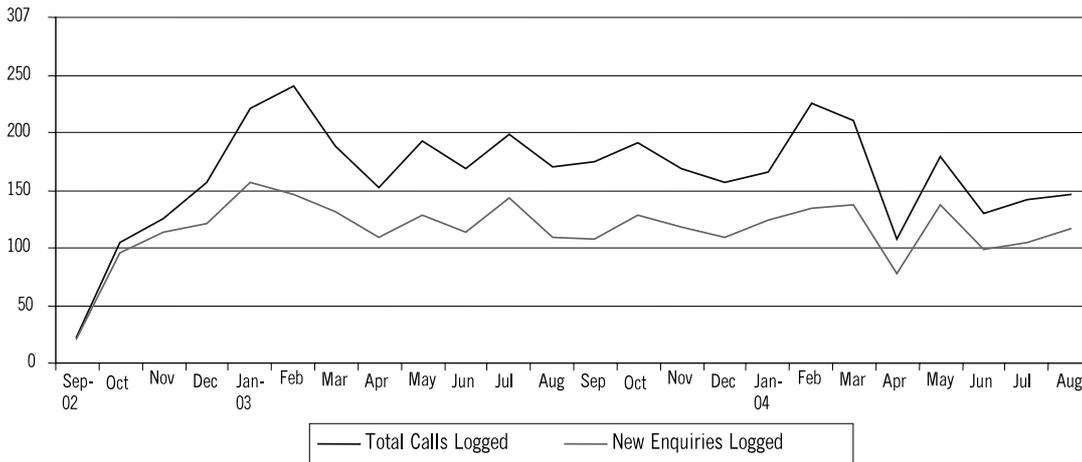
Callers to CUDRC's toll-free number reach the Financial Services Referral Centre, a co-operative venture established by BFSO, the Financial Industry Complaints Scheme and Insurance Enquiries and Complaints Limited in June 2002. The Financial Services Referral Centre aims to ensure that callers can easily reach the most appropriate dispute resolution scheme, having regard to the issues they raise.

For calls about credit unions, the enquiries officers identify whether the credit union complained of is a CUDRC participant. If it is, the caller is transferred directly to the CUDRC Case Officer or Case Manager.

The Financial Services Referral Centre handles the majority of administrative calls, follow-up calls and calls relating to non-participating credit unions or other financial services providers.

During the reporting period, CUDRC staff logged 1,998 telephone calls, an average of 167 calls per month. Figure D shows how the number of calls logged varied over the 12 months of the reporting period, compared to the previous reporting period. After a peak in January / February 2004, the number of calls logged dropped to just over 100 in April and then levelled off to between 130 and 179 per month to August 2004.

Figure D: New Enquiries Received – 2 year trend

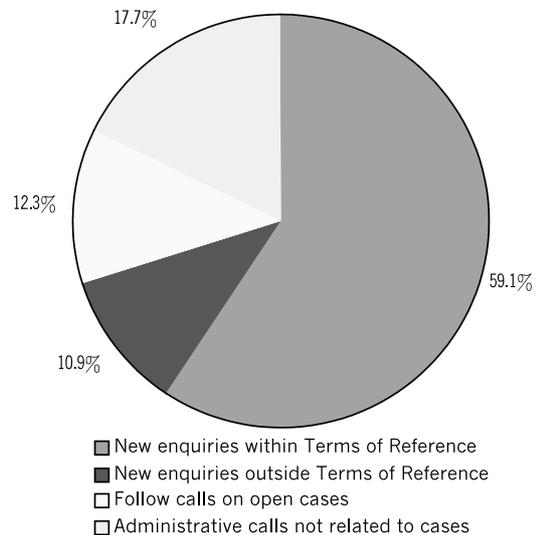


The distribution of all new calls received is shown in Table 2 and Figure E. The total number of new enquiries received in 2003 – 2004 was 1,400, and 84.4% of these enquiries were within the Centre's Terms of Reference. Other calls, not related to enquiries, were follow-up or administrative calls.

Table 2: Telephone Calls Received

New Enquiries – WTR	1166
New Enquiries – Phone Cases	16
	1182
New Enquiries – OTR	218
New Enquiries – TOTAL	1400
Follow Up Calls	245
Admin Calls	353
Total Calls Received	1998

Figure E: Telephone Calls Received.



The total number of telephone calls logged by CUDRC increased by 3.0% (from 1,939) from the 2002 – 2003 reporting period.

The percentage of calls relating to new enquiries increased, from 57.1% in 2002 – 2003, to 59.1% in 2003 – 2004. During the current reporting period, the number of new enquiries increased by 14, to 1,400. Of the total calls received, 218 (10.9%) fell outside the CUDRC's Terms of Reference.

Main product/problem categories

For new enquiries and telephone cases that are within the Terms of Reference, CUDRC staff record details of the category of the product complained of, and the main problem category. (Appendix A provides additional information on the problem categories used by the Centre.)

During the reporting period, of the 1182 of new enquiries received:

- 395 (33.4%) related to payment systems, including ATMs, EFTPOS, and cheques;
- 313 (26.5%) related to deposit accounts including statement and cheque accounts, and term deposits; and
- 262 (22.2%) related to consumer finance, including credit cards and personal loans.

Table 3 shows the results from the 2003 – 2004 reporting period for all product categories, and details the two most frequently reported problems for each product category. (Note that not all problem categories are applicable to each product category.)

The problem categories of commercial decisions (that are contrary to a legal duty or the terms and conditions) featured most frequently in deposit account, consumer finance and housing finance for new enquiries within the Terms of Reference across all product categories. Transactions/Calculations problems were most common in disputes involving payment systems.

Table 3: New Telephone Enquiries Received – Product Category and Main Problem Categories

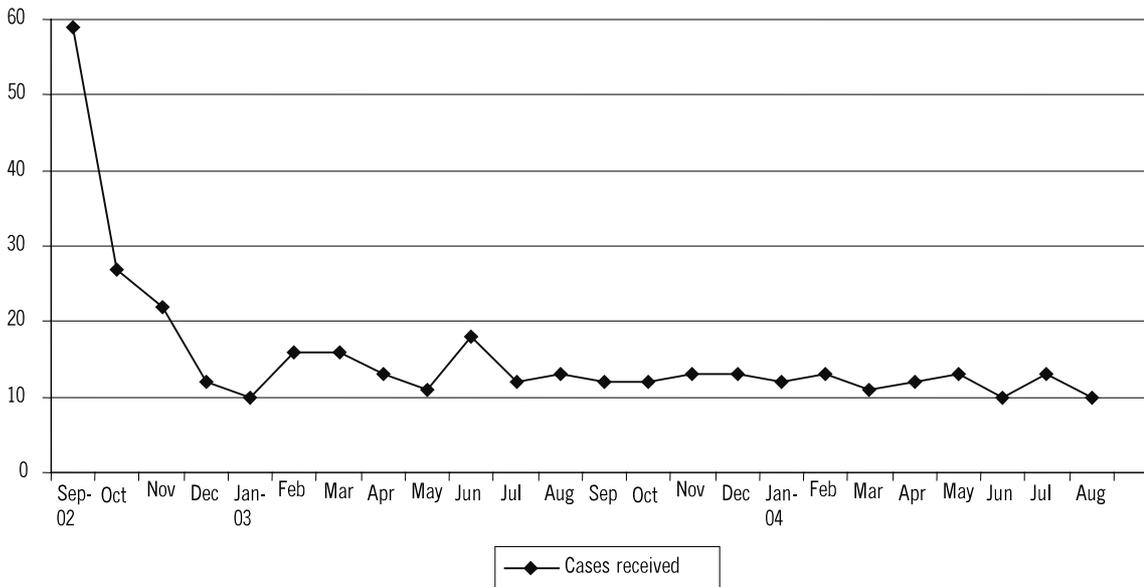
Product Category	No. of Enquiries	Problem Category	No. of Enquiries
Payment Systems	395	Transactions/Calculations	213
		Service Quality	68
Deposit Account	313	Commercial Decision	69
		Transactions/Calculations	64
Consumer Finance	262	Commercial Decision	131
		Transactions/Calculations	37
Housing Finance	149	Commercial Decision	42
		Information Inadequate or Incorrect	33
Other	27	Service Quality	9
		Information Inadequate or Incorrect	6
Business Facilities	21	Industry Practice	5
		Service Quality	5
Financial Planning	3	Information Inadequate or Incorrect	2
		Fees Excessive, Inappropriate or Wrong	1
No Product/Problem Recorded	12		

New Cases and Work in Progress

During the reporting period, CUDRC opened 144 new cases. A new case is opened when a written dispute is received by the Scheme.

Figure F shows the variation in the number of cases received since September 2002. The peak at the start of the period reflects those cases transferred from the previous Dispute Manager. Between September 2003 and August 2004, the number of new cases received has consistently been between 10 and 15 per month.

Figure F: New Cases Received



As at 31 August 2004, CUDRC had 27 open cases (compared to 38 at 31 August 2003), distributed as follows:

Figure G: Distribution of Open Cases

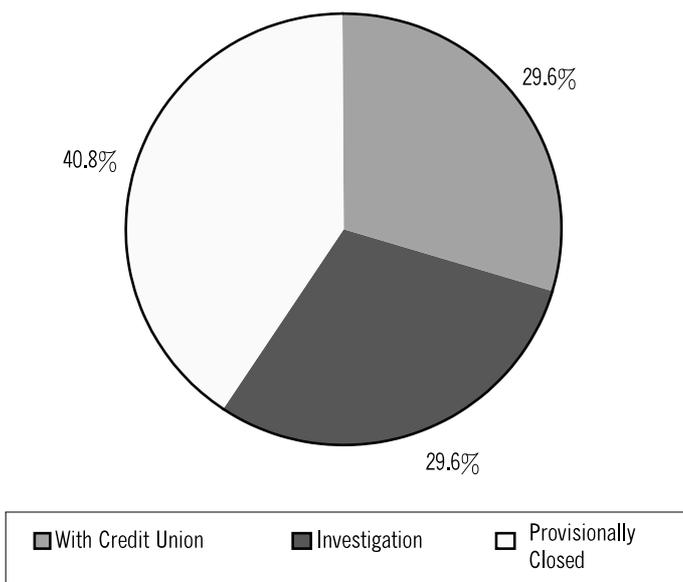


Table 4: Distribution of Open Cases

Case Status	No.	%
Cases received but not classified	0	0.0%
Cases referred to the Credit Union and awaiting response	8	29.6%
Cases under investigation	8	29.6%
Cases provisionally closed, pending acceptance or appeal of CUDRC's assessment	11	40.8%
	27	100.0%

During the 2003 – 2004 reporting period, CUDRC closed 155 cases.

Of these, 30 cases were discontinued, or initially assessed by CUDRC as outside the Terms of Reference. These cases were closed without being referred to the credit union.

The remaining 125 cases were referred to the relevant credit union for its response.

Manner of dispute resolution for cases referred to the credit union

Following referrals of the cases to the credit unions, 67 (43.2%) were resolved by credit unions without the need for CUDRC investigation. A further 23 cases (14.8%) were either discontinued or assessed to be outside the Terms of Reference at this stage.

The CUDRC Case Manager investigated the remaining 35 cases (22.6%).

There are a number of options for resolving disputes after an investigation has commenced. Factors such as the complexity of the issues raised, the expectations of the parties, and the extent to which the parties are prepared to negotiate, will determine the method used to resolve disputes.

In the reporting year, 10 cases were resolved after CUDRC facilitated settlement between the parties and 12 cases were resolved after the Case Manager issued Findings on the merits of the disputes. There were 7 cases where the Case Manager's Findings were rejected by one or both of the parties and each of these cases was resolved when the Dispute Manager issued a Determination.

Finally, 6 of the cases that were investigated were discontinued or found to be outside the Centre's Terms of Reference.

The dispute resolution procedures also allow for conciliation conferences to be held. However, no conciliation conferences were held during the reporting period.

The Dispute Manager also has the jurisdiction to issue a Recommendation if the total of the claims in dispute is more than \$100,000. This power was not exercised during the reporting period.

Outcome of closed investigations

Table 5: Closed Cases Summary

Cases not referred to Credit Union:

Outside Terms of Reference:		18	
Others:	Dispute copied to CUDRC - resolved by Credit Union without CUDRC involvement	8	
	Member did not respond to request for additional information	1	
	Member accepted CUDRC's advice that Credit Union action was appropriate	1	
	Withdrawn by member	2	
	Total other	<u>12</u>	
Total Cases not Referred to Credit Union:			30 19.4%

Cases determined to be Outside Terms of Reference or Discontinued ("DIS") after referral to Credit Union:

Outside Terms of Reference:		11	
DIS:	Member accepted CUDRC's advice that Credit Union action was appropriate	1	
	Withdrawn by member	<u>11</u>	
	Total "DIS"	<u>12</u>	
Total Cases Closed OTR or "DIS" after referral to Credit Union:			23 14.8%

Cases Resolved by Credit Union

Resolved by Credit Union after informal Telephone Referral (*)		10	
Resolved by Credit Union after informal Written Referral (**)		8	
Resolved by Credit Union after Formal Referral		<u>49</u>	
Total Cases resolved by Credit Union:			67 43.2%

Cases Investigated by CUDRC:

Outside Terms of Reference:		2	
DIS	Member did not respond to request for additional information	3	
	Withdrawn by member prior to completion of Investigation	<u>1</u>	
	Total "DIS"	4	
Resolved by Case Manager's Finding		12	
Resolved by Negotiated Settlement		10	
Resolved by Dispute Manager's Determination		7	
Dispute Manager's Recommendation (Non-Binding Determination)		<u>0</u>	
Total Cases Investigated by CUDRC:			35 22.6%

Total Cases Closed

155

* Cases are referred informally by telephone where the issues involved are simple and/or the amount claimed is small.

** Cases are referred informally by facsimile or letter to give the Credit Union an opportunity to resolve the dispute where it appears that the matter has not previously been considered under the Credit Union's Internal Dispute Resolution process.

Table 6 shows the outcome of the cases that were investigated and closed during the reporting period. It excludes the outcome of those cases that were discontinued or found to be outside the Terms of Reference.

The outcomes for cases were fairly even, in terms of whether the credit union (34.5%), the disputant (31.0%) or both parties (34.5%) benefited.

When broken down to the manner of resolution, 57.1% of Determinations favoured the credit union and a further 28.6% benefited both parties. For negotiated settlements, 40% favoured the disputant and 50% benefited both parties to the dispute. The outcome of Findings was 41.7% in favour of the credit union, 33.3% in favour of the disputant and 25% benefiting both parties.

Table 6: Favouring Party – Cases Investigated

	Favouring Credit Union	Favouring Member	Benefitting Both
Finding	5	4	3
Negotiated Settlement	1	4	5
Determination (Binding)	4	1	2
Total	10	9	10

Product and problem categories

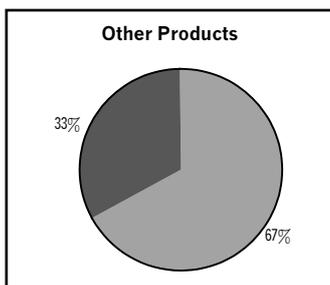
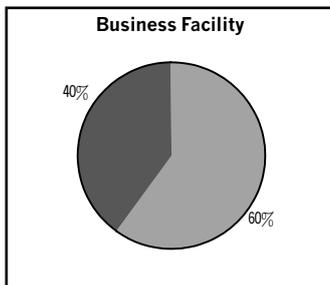
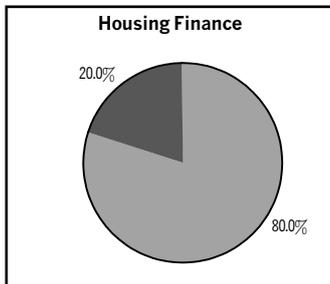
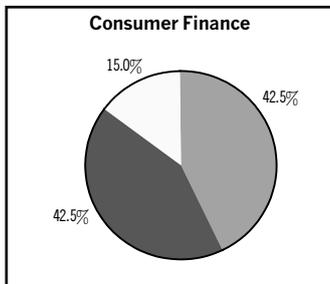
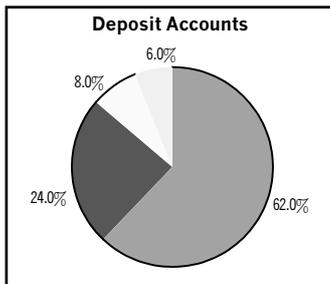
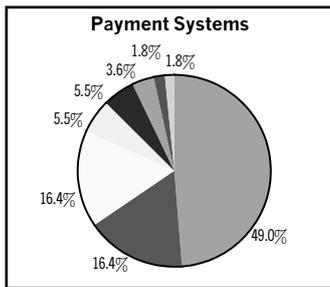
All cases are classified according to:

- the product or service obtained by the disputant; and
- the problem with the product or service, as reported by the disputant.

Figure H illustrates the major products and main problems for the cases closed after referral to the credit union or investigation. Note that there can be more than one product or problem involved in any one case.

The product groups most complained about during the reporting period were payment systems (33.8%), deposit accounts (30.7%) and consumer finance (24.5%). These results are in line with the figures for 2002 – 2003.

Figure H: Products Reported



Payment Systems	No. of Cases:	55
ATM	49.0%	
Periodic Payments, Direct Debits	16.4%	
Computer Banking	16.4%	
EFTPOS	5.5%	
Cheques	5.5%	
Telegraphic Transfers	3.6%	
Bank Cheques	1.8%	
Currency Exchange / Traveller Cheques	1.8%	

Deposit Account	No. of Cases:	50
Statement Savings Account	62.0%	
Personal Cheque Account	24.0%	
Term Deposit	8.0%	
Passbook	6.0%	

Consumer Finance	No. of Cases:	40
Credit Cards	42.5%	
Personal Loans	42.5%	
Personal Overdraft	15.0%	

Housing Finance	No. of Cases:	10
Home Loan - Variable Rate	80.0%	
Investment Property Loan	20.0%	

Business Facility	No. of Cases:	5
Business Cheque Account	60.0%	
Business Loan - Variable	40.0%	

Other Products or Services	No. of Cases:	3
Insurance	66.7%	
Holding Title Deeds	33.3%	

For the reporting period, Figure H and Table 7 show that about half the payment system cases involved ATMs. The most commonly reported problems were unauthorised transactions and incorrect cash given.

Within the deposit account category, most cases involved statement savings accounts. In these cases, disputants mainly complained about fees being excessive or inappropriately charged or lost funds.

Within the consumer finance category, credit cards and personal loans featured equally as the most common products. Problems

relating the credit cards mostly concerned withdrawal and deposit errors and unauthorised transactions. The main problems for personal loans were inappropriate debt collection activity and reporting to a credit agency.

Housing finance cases concerned mostly variable rate loans. In contrast to the last reporting year, where 30% of cases involved fixed rate loans, no complaints about that product type were investigated during this reporting period.

Table 7: Major Product and Major Problems Reported

PRODUCT GROUP	MAJOR PRODUCTS	MAIN PROBLEMS	%
Consumer Finance	Credit Cards	Withdrawal or deposit errors	31.3
		Unauthorised transactions	25.0
	Personal Loan	Inappropriate debt collection activity	20.0
		Reporting to a credit agency	13.3
	Personal Overdrafts	Reporting to a credit agency	40.0
		Inappropriate debt collection activity	20.0
Housing Finance	Home Loan - Variable rate	Advice	25.0
		Administrative oversight / error	12.5
	Investment Property Loan	Product / service advice	50.0
		Contractual breach, written instructions not carried out	50.0
Deposit Account	Statement Savings account	Fee excessive, inappropriate or wrong	13.8
		Lost funds	10.3
	Personal Cheque account	Dishonoured transactions	18.2
		Fee excessive, inappropriate or wrong	18.2
	Term Deposit	Lost funds	40.0
		Administrative Oversight / Error	20.0
Payment System	ATM	Unauthorised Transactions	48.1
		Incorrect cash given	25.9
	Periodical Payments / Direct Debits	Administrative Oversight / Error	28.6
		Unilateral action by a credit union	28.6
	Computer Banking	Delays	40.0
		Fee excessive, inappropriate or wrong	20.0
Business Facility	Business Loan - Variable	Denial of access to funds	33.3
		Guarantees	33.3
	Business Cheque Account	Unilateral action by a credit union	100.0
Other products or services	Insurance	Product / service advice	100.0
	Holding Title Deeds	Administrative oversight / error	100.0

Table 8 illustrates the proportion of cases resolved by credit unions and the cases requiring CUDRC investigation, by product category.

As in the previous reporting year, cases involving payment systems were over-represented in the subset of cases requiring investigation, while those involving deposit accounts were over-represented in the cases that were resolved by credit unions. This distribution perhaps reflects the higher levels of complexity of disputes involving payment systems.

Table 8: Level of Resolution, by Product Category

PRODUCT GROUP	% of Cases Resolved by Credit Union	% of Cases CUDRC Investigation	All Cases
Business Facility	2.3%	2.7%	2.4%
Consumer Finance	26.7%	13.5%	22.8%
Deposit Account	32.6%	16.2%	27.6%
Housing Finance	8.1%	5.4%	7.3%
Other Products or Services	1.2%	2.7%	1.6%
Payment System	29.1%	59.5%	38.3%

Case resolution time

Table 9 shows the length of time that it took to resolve the cases closed (within the Terms of Reference) in the reporting period, compared to the last reporting period. The case resolution time is determined from the date that the case is processed by CUDRC until the date that it is closed. It includes the time taken for the disputant to return a written authority and the 30-day "appeal" period, when the case is provisionally closed.

Table 9: Case Resolution Time (excluding Discontinued and Outside terms of Reference cases)

	2002/3	2003/4
0 to 60 days	35.5%	39.6%
61 to 90 days	15.9%	19.8%
91 to 120 days	10.3%	9.4%
121 to 150 days	11.2%	6.2%
151 to 180 days	9.3%	9.4%
181 days & over	17.8%	15.6%
Total Cases	107	96
Median Days – All WTR Cases	84	75

During the reporting period, 39.6% of closed cases were resolved within 60 days, and the majority of cases (59.4%) were resolved within 90 days. Most of these were resolved after referral to the credit union, without significant investigation or involvement by CUDRC.

At the other end of the scale, 15.6% of cases closed took more than 6 months to resolve.

The median time for resolving these cases was 75 days.

Factors that contributed to the length of time taken to close some cases included:

- Delays between receiving the initial complaint, and receiving the disputant's completed authority to disclose information to the credit union;

- Delays in receiving information from credit unions and disputants. This has been a particular problem in EFT cases, where credit unions have experienced difficulties obtaining copies of transaction logs or other information from ATM owners;
- Extra efforts by the Case Manager to encourage resolution of disputes during the investigation phase, rather than proceed immediately to a Finding; and
- A significant proportion of disputes proceeding to a Determination. Most of these were EFT cases.

CUDRC recognises that long delays can cause frustration for both disputants and credit unions. Although the length of time taken to resolve cases has improved from the 2003 level, CUDRC will continue to monitor case resolution times, and to work towards further improving efficiencies in the investigation process.

Disputes Outside Terms of Reference

While the Centre has a broad jurisdiction, some types of disputes fall outside the Terms of Reference ('OTR'), and cannot be considered. For example, the Centre cannot consider disputes about a credit union's policies and practices or commercial decisions relating to lending or security (such as a decision to decline a loan application).

Also outside the Terms of Reference are claims for more than \$100,000. However, in these cases, the Dispute Manager can make a non-binding Recommendation about how the dispute should be resolved.

During the reporting period, 218 (15.6%) of the new enquiries received, and 31 (20.0%) of all cases closed, were considered to be OTR cases.

Table 19 shows the main reasons for enquiries or cases falling outside the Terms of Reference.

Table 10: Main OTR Categories

Closed Cases		Telephone Enquiries	
Other Jurisdiction		Non Member	
More Appropriate	41.9%	Credit Union	37.0%
Commercial Decision	19.4%	Commercial Decision	16.7%
Non Member		No Financial	
Credit Union	16.1%	Services	16.2%
Credit Union Policy	12.8%	General Complaint	14.8%

The cases which were considered more appropriate for another jurisdiction formed a significant percentage (41.9%) of OTR closed cases, compared to 25.6% in the last reporting year.

Most telephone enquiries which fell outside the Terms of Reference, did so because the credit union concerned was not a member of the scheme. Other main reasons for determining that a telephone enquiry was OTR were that no financial service had been provided to the caller, or a general complaint was made, rather than a complaint about a specific credit union product or service.



Systemic issues and serious misconduct

In addition to investigating and resolving individual disputes, the Centre has a broader role in identifying systemic issues and cases of serious misconduct. ASIC's Policy Statement 139 formalises this role. As a scheme approved under this Policy Statement, CUDRC must:

- identify systemic issues and cases of serious misconduct that arise from the consideration of disputes;
- refer any identified matters back to the credit union for response and action; and
- provide quarterly reports to ASIC about systemic issues and cases of serious misconduct.

A systemic issue is one that has been raised in a dispute or several disputes to CUDRC, which will affect a class of people, in addition to those who have complained to CUDRC. Several disputes of the same type may indicate a systemic problem. However, an issue may also be identified out of the consideration of one single dispute where the effect of the issue will clearly extend beyond the parties to the dispute.

Serious misconduct is a broad term that includes fraudulent conduct, grossly negligent or inefficient conduct, and wilful or flagrant breaches of relevant laws and codes of practice.

CUDRC provided reports to ASIC covering the periods July – September 2003, October – December 2003, January – March 2004 and April – June 2004.

The report for October – December 2003 identified one issue that it determined to be a systemic issue. The issue involved an oversight by the credit union, which had failed to include inward telegraphic transfer fees in its schedule of fees and charges. It was determined that a systemic issue arose where fees were charged without being disclosed in the appropriate fee schedule or terms and conditions booklet. The credit union satisfactorily resolved the problem by agreeing to absorb the fee and not pass it on to members and also agreeing to reverse any incorrectly charged fee on request.

All other reports otherwise noted that CUDRC did not identify any systemic issues or cases involving serious misconduct during the time covered by the reports.



Other activities

In addition to resolving disputes, the Dispute Manager must ensure that the existence of the Centre is promoted, and that details about its operations are published and promoted.

CUDRC regularly publishes bulletins to promote the operation of the Centre and to outline its approach to particular issues. In the 2003-2004 reporting period, CUDRC published the following bulletins:

- *Bulletin Number 3* in December 2003 dealing with:
 - the Centrelink *Code of Operation for Direct Credit Payments*; and
 - credit reporting to a credit reporting agency under the *Privacy Act 1988*.
- *Bulletin Number 4* in June 2004, dealing with:
 - disability and incapacity issues;
 - an Electronic Funds Transfer case study; and
 - CUDRC and systemic issues.

In October 2003, seminars were conducted for participating credit unions in Sydney, Melbourne and Brisbane covering:

- Dealing with processing errors and misdirected internet payments;
- A review of statistics; and
- Discussions of issues arising from cases received.

In March 2004, two seminars were conducted in Melbourne and Sydney in conjunction with the Banking and Financial Services Ombudsman Scheme. The topic of these seminars was "Resolving Electronic Funds Transfer disputes". The guest speaker at these seminars was Mr Mark Sneddon, a partner with the firm Clayton Utz and expert in e-commerce, retail banking and privacy. Mr Sneddon was also a member of the Australian Securities and Investment Commission's EFT Code Working Party, and drafted the revised EFT Code.

In March 2004, participating credit unions were invited to attend an EFT Dispute Resolution workshop in Brisbane. This workshop was hosted by Suncorp Metway Bank, and conducted by the Centre's EFT Case Manager.



The following case studies are a representative sample of the cases considered by CUDRC. They are illustrative of the type of legal and industry practice issues raised in disputes, of the investigation process and of the different types of resolutions.

An unauthorised BPAY payment

Mr J contacted his credit union to ask why he had been unable to withdraw funds from his account earlier in the day. He was advised that his account held insufficient funds, due to a BPAY payment of \$2,050 made to a third party account the previous day. The recipient financial institution advised that its account holder had withdrawn all funds and it was unable to return the funds.

Mr J had registered to use the BPAY facility some ten months earlier, but he had not used it at any time prior to the payment in question. Mr J said that the payment had been made without authorisation and sought reimbursement.

The credit union said that Mr J must have contributed to the loss by failing to protect information about his account. It advised that the correct member number, Redicard number, internet banking password and BPAY access code had all been entered in order to perform the transfer of funds.

The Case Manager found that the person who made the payment did not require Mr J's internet banking access code and BPAY access code to perform the transaction. The fact that the person had Mr J's card number and/or membership number was not relevant to the question of liability, because neither was a number required to be kept secret.

The Case Manager found that when BPAY access was established, Mr J's birth date was given as the temporary access code. There was no information available to show how or in what form Mr J had been advised at the time that his temporary access code was his date of birth, or whether he had kept a record of it in any form. Nor was there any information to show whether or not Mr J had changed the access code at any time.

In light of these considerations, the Case Manager found that it was not possible to say, on the balance of probabilities, that Mr J had contributed to the loss resulting from the unauthorised transaction. In such cases, the liability of the account holder is limited under the EFT Code to \$150. The Case Manager found that the credit union should refund \$1,900 to Mr J.

However, the Case Manager also noted that the credit union had failed to deal with the dispute within the timeframe set down in the EFT Code, and when it did respond to the dispute, failed to give reasons, as required by the EFT Code. The Case Manager also considered that the credit union had given incorrect information about what codes were needed to operate the BPAY facility, and had contributed to the problem by allocating a temporary password which was Mr J's date of birth. In light of these matters, the Case Manager found that the credit union should pay the \$150 that Mr J would otherwise be liable for under the EFT Code.

The credit union accepted the Finding and the case was closed.

A breach of privacy

Ms T complained that her credit union had given out details of her account to her estranged husband.

Ms T said that she had sold some property and deposited the proceeds to her account. She said that later she was confronted by her former husband and accused of lying about the sale, assaulted in front of her children, and had personal property destroyed.

The credit union said that Ms T's former husband had enquired about a deposit made by Ms T, and an officer had opened a screen showing her accounts but had not disclosed anything about the deposit.

The credit union and Ms T entered into discussions and negotiated a resolution which saw Ms T paid \$5,000 in full settlement of her claim. The file was closed without the need for investigation.

A dishonoured insurance premium payment

Mr M complained that his credit union had dishonoured a direct debit for his boat insurance premium, quoting the wrong reason and without contacting him. Mr M said that the credit union had claimed that the payments were dishonoured due to insufficient funds, but in fact were dishonoured because the number he had quoted to the insurer was incorrect. Mr M said that four months later, after an accident, he was unable to claim insurance, as his policy had been cancelled.

The Case Manager issued a Finding, in which he found that Mr M had given the wrong account details to the insurer, but that the credit union had manually matched the account details given for previous monthly debits to Mr J's account and redirected the debit to that account to enable payments to be made. However, during the month in question, although the instruction to debit was redirected, Mr M's account held insufficient funds, and the payment was dishonoured. The reason shown on the advice to the insurer, was "incorrect account number".

Mr M said that, had the credit union advised the insurer that the dishonour was due to insufficient funds, the insurer would have represented the drawing. However, while the Case Manager found that the insurer should have been notified that the dishonour was due to insufficient funds, this did not cause the policy to be cancelled, because over the following three months, there were never sufficient funds to meet the premium payments.

The Case Manager rejected Mr M's claim that the credit union was obliged to notify him to advise that he did not have sufficient funds to meet a direct debit, finding that it was Mr M's responsibility to ensure that he had sufficient funds, or access to an overdraft facility. In any event, monthly statements were sent to Mr M and these showed that no debit had been processed for the insurance premium.

The Case Manager found that the credit union was not liable to Mr M for his loss.

The credit union accepted the finding, but Mr M rejected it. The dispute was reviewed by the Dispute Manager who considered that Mr M had not raised any new information that would justify

overturning the Finding. The Dispute Manager found that the credit union was not liable to Mr M.

Drawing on an uncleared cheque

Ms N lodged an international cheque for US\$5,000 with her credit union. The credit union's practice was to allow 15 working days for such cheques to clear. After this period had passed, the credit union allowed Ms N to draw against the value of the cheque. Ms N withdrew some funds and used them to pay urgent bills.

Subsequently, the cheque was dishonoured and the credit to Ms N's account was reversed, resulting in the account becoming overdrawn. Despite negotiations, no agreement could be reached about how to bring the account to order.

Legal Counsel took the view that good industry practice would require the credit union not to make proceeds of cheques available until after clearance. It appeared that the clearance period placed by the credit union expired before an answer on the cheque was received and the funds were made available and taken in the mistaken belief that the cheque had cleared.

In such cases, the credit union would be entitled to be repaid the amount withdrawn, unless Ms N could demonstrate that she had suffered detriment in reliance on the mistake. As Ms N had used the funds to discharge urgent debts, it was considered that she had benefited by the use of the funds and the credit union should be repaid.

However, due to credit union's policy which saw the release of the funds prior to clearance of the cheque, it was considered that the credit union should be fair and reasonable in seeking repayment.

The credit union responded to the views of Legal Counsel by advising that, as a matter of goodwill, it would not charge any interest on the account for the period that it was overdrawn.

The case was resolved on that basis.

A stolen credit card

While travelling in Europe, Mr K lost his wallet, containing his Visa card. He noticed it missing at about 6pm, some five hours after he last used it. Mr K said that he tried to report the loss of the card that evening, but had difficulty in making the right contact and decided to deal with the matter the following day.

On the day that the card was lost, seven unauthorised transactions totalling \$7,910.30 were conducted using the card and fraudulent signatures. All were made prior to the notification to the credit union that the card had been lost.

The credit union said that it had attempted to charge back the transactions to the merchants, but all sales vouchers were signed and could not be charged back.

It argued that Mr K was liable under the terms and conditions for the account, which provided that the cardholder was liable for unauthorised transactions occurring before notification to the credit union, up to the daily withdrawal limit.

The Case Manager considered that this clause was unjust (in terms of the Uniform Consumer Credit Code) and could not be relied upon by the credit union. He found that the customer had not authorised the transactions. However, the Case Manager also considered that Mr K delayed in notifying the credit union of the loss of the card. Had Mr K notified the credit union immediately, the final transaction would have been prevented.

On this basis, the Case Manager determined that Mr K was liable for the last transaction, but none of the transactions that took place prior to him become aware of the loss of his card.

Mr K accepted the Finding, but the credit union rejected. One ground of rejection was that the Visa card was a debit card, and therefore not subject to the Uniform Consumer Credit Code.

The Dispute Manager reviewed the case and agreed that the Uniform Consumer Credit Code did not apply to the account. However, he said that the principle of customer mandate applied and that the credit union was not entitled to debit the account without the customer's authority. The Dispute Manager found that, while this principle could be varied by an express term in the contract between the customer and the credit union, he was not satisfied that it had been. The Dispute Manager confirmed that Mr K was liable for the transaction that occurred after he became aware of the loss of the card, but not for transactions before that time.

Authorised or unauthorised transactions?

Mr P complained that over a five-year period, his ATM card had been used to conduct 548 transactions, totalling in excess of \$78,000. He said that he used his card infrequently and only his partner of twelve years, who withdrew money and paid bills for Mr P, had access to the account. Mr P said he discovered the funds missing from his account when he connected to the credit union's internet banking site.

The credit union provided information to show that all of the disputed transactions were made using the card and correct PIN. Account statements were sent to Mr P and Mr P had conducted many withdrawals at ATMs over the period in question, giving him ample opportunity to check the account balance.

The Case Manager formed a preliminary view that the disputed transactions were probably conducted by Mr P or his partner, noting that the card had never been lost or stolen. It was noted that during the period, at least one replacement card had been issued, which meant that the person or persons conducting the transactions had access to at least two cards in Mr P's possession. The Case Manager considered that Mr P was not reasonably able to identify which transactions had been conducted by Mr P's partner over the five-year period and the transactions indicated the family spending weekly income available to it.

On this basis, the Case Manager informed Mr P that it was his view that Mr P was liable for the transactions on the basis that they were either conducted by Mr P, or by his partner who had been given access to the card and PIN.

Mr P did not take the matter further.



Appendix A: Problem codes used by CUDRC

Category	Problem	Explanation
<u>Commercial Decision</u>	Cancelled/withdrawn/rejected facility	Rejection of loan/credit application, or withdrawal of overdraft facility
	Denied access to funds in account/refusal to chargeback	Frozen accounts, denial of access to savings/investment/credit card accounts, refusal to chargeback
	Dishonoured transaction	Bounced cheques, dishonoured direct debits, merchant chargebacks
	Guarantees	Must accompany a description of a problem such as inadequate/incorrect information
	Inappropriate collection activity	Behaviour of debt collector, harassment, late night calls to other family members etc
	Maladministration in debt recovery	Recovery procedures not followed, delay in recovery of debt, underselling security
	Maladministration in granting loan	Loan should not have been granted. Disputant given loan without ability to repay, extended beyond credit limits
<u>Fees</u>	Reporting to a Credit Agency	Claim that credit union had no right to list or listed inappropriately
	Fee excessive / inappropriate / wrong	
<u>Industry Practice</u>	Breach of written auth / instruct / understanding	Contractual breach or written instruction not carried out (eg: direct debit authority not acted upon authorised signatories overlooked, payee name on cheque ignored etc)
	Oral instruct / understanding / promise not carried out	Breach of oral instruction or information, arrangements not carried out (eg: settlement and divestment of sale proceeds, transfer of funds, agreements to cover cheques, supply information, monitor accounts, roll over funds etc)
	Unilateral action	Member claims not to have been consulted or informed about an action
<u>Information inadequate/incorrect</u>	Advertising/promotion	Advertising claims which are said to be misleading
	Advice	Disputes about advice given about investment or business opportunity
	Contracts	Written document, misunderstanding about terms and conditions of loans or credit arrangements, repayment terms, nature of security
	Fees & charges	No or wrong information given about the fee or charge imposed
	Investment advice	Bad/wrong/inadequate investment advice/funds management
	Lending decision/reasons	Inadequate explanation of reason for credit rejection
	Product/service advice	Insufficient information about the workings or criteria or a product or service, verbal advice misleading, incorrect, conflicting information
<u>Interest Rates</u>	Interest rate excessive/inappropriate	Disputes about financial institution's interest rate policies - deposit and loan accounts
<u>Service Quality</u>	Account balance	Incorrect information given about account balance
	Administrative oversight/error	Address wrong, statement posted to wrong person, difficulties getting loan balance etc
	Breach of privacy/confidentiality	Unauthorised use or disclosure of personal or financial details
	Delay	Includes cheque clearance time, loan approvals, delay in receiving funds, settlement delay
	Failure to reply to correspondence/inquiries	
	Inappropriate request for information	Personal information requested inappropriately
	Inappropriate staff attitude to customer	Rudeness, discrimination, refusing service, embarrassing member in front of others
	Loss of documents/safe custody items	
<u>Transactions / Calculations</u>	Account credited/debited incorrectly	Withdrawal or deposit errors
	Calculation errors	Error resulting in wrong repayment figure, incorrect payout figure, wrong interest rate charge
	Fraudulent transaction	Unauthorised transactions, stolen card/ATM withdrawals, forged cheque/withdrawal slip
	Incorrect cash given	Malfunction by ATMs and over-counter mistakes
	Lost funds	Missing payment transfers, electronic deposits, term deposits
<u>Other Problems</u>	Features or eligibility restrictions	Disputes about the features of eligibility restrictions of a product or service
	Internet	Disputes involving transactions on the internet
	Request for indulgences	Request for indulgences or variations to loan repayment arrangements



Appendix B: Glossary of terms and abbreviations

- ASIC**
Australian Securities and Investments Commission
- BFSO**
Banking and Financial Services Ombudsman Limited
- Case**
A new case is opened when CUDRC receives a dispute in writing.
- Case Manager**
Investigates unresolved disputes.
- Case Officer**
Takes telephone calls from the public, processes new disputes, and investigates some unresolved disputes.
- Case resolved**
A dispute that is resolved after referral to the credit union.
- Conciliation conference**
A case conference conducted by the Credit Union Dispute Manager.
- Credit Union Code of Practice**
An industry code of practice, setting good practice standards for credit unions. The Code was released in 1994, and is currently under review.
- CUDRC**
Credit Union Dispute Resolution Centre Pty Ltd
- CUSCAL**
Credit Union Services Corporation (Australia) Limited
- Determination**
A written decision issued by the Dispute Manager after a credit union or disputant has rejected a Finding. If the disputant accepts a Determination, the Determination is binding on the relevant credit union.
- Discontinued (DIS)**
Disputes that are withdrawn or not pursued by the disputant.
- Disputant**
An individual or small business bringing a dispute before the Dispute Manager.
- Dispute**
A written request for assistance to resolve an unresolved complaint between a credit union and a member.
- Dispute Manager**
The organisation or individual contracted by the CUDRC Board to perform the functions of dispute resolution and management of CUDRC.
- EFT**
Electronic Funds Transfer
- EFT Code of Conduct**
An industry code applying to financial institutions that provide EFT services to consumers. A revised EFT Code has been in operation since April 2002.
- Financial Services Referral Centre**
A telephone referral centre, jointly operated by BFSO, Financial Industry Complaints Services Limited and Insurance Enquiries and Complaints Limited.
- Finding**
A Case Manager's written assessment of the merits of a dispute, written after the Case Manager's investigation of the dispute.
- Guidelines**
A manual published by CUDRC, explaining the clauses of the Terms of Reference. The Guidelines were published in July 2003.
- Member**
An individual or small business that acquires, alone or jointly with another person, a credit union product or service, or seeks information about a credit union product or service.
- Negotiated Settlement**
An investigation resolved by way of a settlement that is acceptable to both parties. Usually a Case Manager will facilitate the settlement.
- OTR**
Outside Terms of Reference – a dispute that is outside the Dispute Manager's jurisdiction.
- Participating credit union**
A credit union that has agreed to participate in CUDRC. (A list of participating credit unions is provided in Appendix C.)
- Problem**
The term used by CUDRC to describe the nature or description of the dispute that the disputant has about a financial service.
- Product**
The term used by CUDRC to categorise the various financial products, services, accounts and facilities available to members from credit unions.
- Provisionally closed**
The status of a case for the 30-day period between CUDRC seeking confirmation of the resolution of the case and the date when the appeal period expires and the case is closed.
- Serious misconduct**
A broad term that includes fraudulent conduct, grossly negligent or inefficient conduct, and wilful or flagrant breaches of relevant laws and codes of practice. CUDRC is required to report cases of serious misconduct to ASIC.
- Small business**
An incorporated or unincorporated business that employs less than 100 full time equivalent employees, if the business is manufacturing, or less than 20 employees, if the business is of another nature.
- Systemic issue**
An issue which has been raised in a dispute or several disputes to CUDRC which will affect a class of people, in addition to those who have complained to CUDRC.
- Telephone case**
A case where the issues in dispute are straightforward and/or the claim sought is low, and where CUDRC seeks to resolve the matter informally and without requiring the disputant to lodge a written dispute.
- Terms of Reference**
A written document setting out the powers, duties and obligations of CUDRC and the Dispute Manager.
- The Board**
The governing body of the scheme, comprising an independent chair, two consumer representatives and two credit union representatives.
- WTR**
Within Terms of Reference – a dispute that is within the Dispute Manager's jurisdiction.



Appendix C: Participating credit unions

This list of participating credit unions is correct as at 31 August 2004.

Advantage Credit Union Ltd	Endeavour Australia Credit Union
Amcor Credit Co-Operative Limited	Ericsson Employees Credit Co-Operative Limited
AMP Employees' & Agents' Credit Union Limited	Esso Employees' Credit Union Ltd
Austral Credit Union Ltd	Eurobodalla Credit Union Ltd
Australian Central Credit Union Ltd	Family First Credit Union Limited
Australian Defence Credit Union Limited	Fire Brigades Employees' Credit Union Limited
Australian National Credit Union Limited	Fire Service Credit Union Limited
AWA Credit Union Ltd	Firefighters Credit Co-Operative Limited
Bankstown City Credit Union Ltd	First Nations Australian Credit Union
Berrima District Credit Union Ltd	First Pacific Credit Union Ltd
Big River Credit Union Ltd	Fitzroy & Carlton Community Credit Co-Op Limited
Big Sky Credit Union Ltd	Flying Horse Credit Union Co-Operative Limited
Blue Mountains & Riverlands Community C/U Ltd	Ford Co-Operative Credit Society Limited
Breweries Union Credit Society Ltd	Geelong & District Credit Co-Operative Ltd
The Broken Hill Community Credit Union Ltd	GMH (Employees) Q.W.L. Credit Co-Operative Limited
Calare Credit Union Ltd	Goldfields Credit Union Limited
Capital Credit Union Limited	Gosford City Credit Union Ltd
Carboy (S.A.) Credit Union Limited	Goulburn Murray Credit Union Co-Operative Limited
Central Murray Credit Union Limited	Heritage Isle Credit Union Ltd
Central West Credit Union Limited	H.M.C. Staff Credit Union Ltd
Circle Credit Co-Operative Limited	Holiday Coast Credit Union Ltd
Collie Miners Credit Union Ltd	Horizon Credit Union Ltd
Combined Australian Petroleum Employees' C/U Ltd	Hospitals Credit Union
Community Alliance Credit Union Limited	Hoverla-Ukrainian Credit Co-Operative Ltd
Community First Credit Union Limited	Hunter Coast Credit Union Limited
Companion Credit Union Limited	IMG Credit Union Limited
Comtax Credit Union Limited	Industries Mutual Credit Union Ltd
Connect Credit Union	Intech Credit Union Ltd
Country First Credit Union Ltd	Island State Credit Union Ltd
CPS Credit Union (SA) Limited	Karpaty Ukrainian Credit Union Limited
CPS Credit Union Co-Operative (ACT) Limited	La Trobe Country Credit Co-Operative Limited
Credit Union Home Loans Australia Ltd	La Trobe University Credit Union Co-Operative Ltd
Credit Union Incitec Limited	Laboratories Credit Union Limited
The Credit Union of Canberra	Lithuanian Co-Operative Credit Society "Talka" Ltd
Credit Union Services Corporation (Australia) Ltd (CUSCAL)	Lysaght Credit Union Ltd
Croatian Community Credit Union Ltd	M.S.B. Credit Union Limited
CSR and Rinker Employees' Credit Union Limited	Macarthur Credit Union Ltd
Dairy Farmers Credit Union Ltd	Macaulay Community Credit Co-Operative Limited
Dana Employees' Credit Union Limited	Macquarie Credit Union Limited
Discovery Credit Union Ltd	Maleny and District Community Credit Union Limited
ELCOM Credit Union Ltd	Manly Warringah Credit Union Limited
Electricity Credit Union Ltd	Maritime Workers of Australia Credit Union Ltd
ENCOMPASS Credit Union Limited	

Maroondah Credit Union Ltd
 Media Credit Union Queensland Ltd
 Memberfirst Credit Union Ltd
 Members and Education Credit Union Ltd
 NACOS Credit Union Ltd
 New England Credit Union Ltd
 Newcom Colliery Employees Credit Union Ltd
 North East Credit Union Co-operative Limited
 Northern Districts Credit Union Limited
 Northern Inland Credit Union Limited
 Nova Credit Union Limited
 N.R.M.A. Employees' Credit Union Ltd
 NSW Teachers Credit Union Ltd
 Old Gold Credit Union Co-Operative Limited
 Orana Credit Union Ltd
 Orange Credit Union Limited
 Parkes District Credit Union Ltd
 Peel Valley Credit Union Ltd
 Pinnacle Credit Union Ltd
 Plenty Community Credit Union
 Police Credit Union Limited
 The Police Department Employees' Credit Union Ltd
 Police & Nurses Credit Society Ltd
 Polish Community Credit Union Ltd
 Power Credit Union Limited
 Powerstate Credit Union Ltd
 Prospect Credit Union Limited
 Pulse Credit Union Ltd
 Queensland Community Credit Union Limited
 Queensland Teachers' Credit Union Limited
 Queenslanders Credit Union Limited
 RACV Credit Union Ltd
 Randwick Credit Union Limited
 RegionalOne Credit Union Limited
 Reliance Credit Union Ltd
 Resources Credit Union Limited
 R.T.A. Staff Credit Union Limited
 St Mary's Swan Hill Co-Operative Credit Society Ltd
 St Patrick's Mentone Co-Op Credit Society Limited
 St Philip's Credit Co-Operative Limited
 Satisfac Direct Credit Union Limited
 Security Credit Union Limited
 Select Credit Union Limited
 Service One Credit Union Ltd
 Shell Employees' Credit Union Ltd
 Shoalhaven Paper Mill Employees' Credit Union Ltd
 Snowy Mountains Credit Union
 Softwoods Credit Union Co-operative Ltd (to 30 June 2004)
 Southern Cross Credit Union Ltd
 South East Community Credit Society Ltd
 South-West Credit Union Co-Operative Limited
 South West Slopes Credit Union Ltd
 StateWest Credit Society Limited
 The Summerland Credit Union Limited
 Sutherland Credit Union Ltd
 Sutherland Shire Council Employees' Credit Union Ltd
 Sydney Credit Union Ltd
 TAB Credit Union Ltd
 The TAFE and Community Credit Union Ltd
 Tartan Credit Union Limited
 Telstra Credit Union Ltd
 Uni Credit Union Ltd
 United Credit Union Ltd
 The University Credit Society Limited
 WAW Credit Union Co-Operative Limited
 Westax Credit Society Ltd
 Westbond Australian Credit Union
 Western City Credit Union Ltd
 Woolworths/Safeway Employees' Credit Co-Op Limited
 Yennora Credit Union Ltd