

News Release

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Credit card repayment insurance issues

The Financial Markets Authority (FMA) announced today it has filed civil proceedings against ANZ Bank New Zealand Limited in relation to customers affected by issues with some credit card repayment insurance policies.

ANZ identified these issues, reported them to the FMA in June 2019, and has already compensated affected customers a total of approximately \$440,000. ANZ however acknowledges that it took too long to report the issues to the FMA, and will engage with the FMA on its reporting framework over the coming weeks.

Credit card repayment insurance provides cover for customers who may be unable to repay their credit card debt for reasons like injury or redundancy. ANZ no longer sells the product.

ANZ identified 390 customers had more than one credit card repayment insurance policy for their credit card. Those customers only needed one policy as it gave the same cover.

ANZ also identified a further 439 customers who were ineligible to claim the insurance.

The FMA's proceedings relate to 307 of those customers, with policies between April 2014 and September 2019.

ANZ has since contacted all affected customers to apologise and compensate them for the issues which were unintentional and caused by human error and systems issues.

"We're very sorry this happened. We actively review our processes and systems to try and identify issues that could impact our customers. Where we find problems, we work to fix them for our customers," said Ben Kelleher, ANZ Managing Director Retail and Business Banking.

ANZ cannot comment further while the matter is before the Courts.

For media enquiries contact Stefan Herrick, 021 748 492