

# **SECOND PROGRESS REPORT ON IMPLEMENTATION OF AN ACCOUNT SWITCHING FACILITATION PACKAGE**

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## ***I. Background***

1. This is the second progress report on the implementation of an Account Switching Facilitation Package by APCA. The first preliminary report was submitted on 3 April 2006 and outlined the initial business requirements and implementation plan for the Package
2. Since the submission of the preliminary Progress Report, the Account Switching Focus Group (ASFG), the group tasked with implementing the Package, has met once to further clarify the business requirements of the Package.

## ***II. Updated Business Requirements***

3. The ASFG met on 15 April 2008 to consider queries raised by some BECS Participating Members and this will result in a new version of the business requirements to reflect the following:
  - i. The addition of a sample customer list in order to ensure consistency across FIs;
  - ii. The mention that during the transition period of up to 13 months, from 1 November 2008, the data fields DE User ID and Name of DE User may not be available on the customer list; and
  - iii. The inclusion of a business flow diagram for when a customer seeks the assistance of a new FI when switching accounts.
4. It should be noted that arrangements for maintaining some of the required details to be provided on the customer list of direct debits and credits will be implemented as soon as possible prior to the 1 November, but this may mean that some of the required data is not present for the 13 months preceding 1 November 2008. This will necessitate a transitional period of up to 13 months to cover the time when such details are not on the customer list. This is due to the fact that the relevant fields have not historically been retained with the detail transaction record.

## ***III. Generic Guidelines***

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5. APCA is currently drafting a document to provide guidelines for customers when re-establishing arrangements as part of the process of moving their transaction account to a new FI. This will be considered at the next ASFG meeting scheduled to take place on 12 May 2008.

#### ***IV. BECS Procedure Changes***

6. APCA is drafting procedural changes to BECS which will place certain obligations on FIs when customers decide to switch accounts, consistent with the Account Switching Facilitation Package. The ASFG will consider the draft changes before seeking approval from the BECS Management Committee (MC2).

#### ***V. Card Schemes***

7. APCA's CEO wrote to the card schemes in late March inviting them to work with APCA to identify ways to assist card scheme customers to identify direct debits and credit arrangements when they decide to switch accounts.
8. In a letter to APCA's CEO dated 1 April 2008, the Hon. Wayne Swan, Federal Treasurer, advised that he had also written to the card schemes seeking their positive response to providing support to any industry-wide account switching facilitation package.
9. APCA has since held preliminary discussions with Visa International and MasterCard to explore ways of working together to enhance account switching facilities for direct debit and credit arrangements made through credit and debit cards. Diners Club has also written to APCA indicating its willingness to engage on this issue. Further discussions are under way and it is too early at this stage to be able to establish a timetable and guidelines for this work.

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## ***VI. Progress***

10. At this stage, the project to implement the Account Switching Facilitation Package is on track. BECS Participating Members will provide their first progress report on 8 May 2008 and the industry's progress will be reported in the end of June report.