



3 October 2023

Sam O'Connor
Analyst | Competition Exemptions | Mergers, Exemptions and Digital
Australian Competition & Consumer Commission
Lonsdale Street, Melbourne VIC
GPO Box 3131, Canberra ACT

Submitted via web form

Dear Mr O'Connor

Re: Draft determination on application for authorisation AA1000640 – Commonwealth Bank and Ors – Interested party submission

Lendi Group refers to the Australian Competition & Consumer Commission (**ACCC**)'s draft determination in respect of the application for authorisation submitted by the Commonwealth Bank, Westpac Banking Corporation, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Macquarie Bank Limited (the **Applicants**) regarding the establishment of a voluntary industry-wide program for mortgage lenders to jointly procure assurance reviews of the compliance systems and standards of participating mortgage aggregators (**Aggregator Assurance Program**). Lendi Group appreciates the opportunity to provide feedback to the ACCC on the draft determination.

Lendi Group was created 2 years ago following the merger of Lendi and Aussie. Home to Australia's number one home loan platform, Lendi Group allows consumers to compare, apply and settle their home loan online, fully supported by brokers. With a network of over 1,300 brokers and 200 retail stores, Lendi Group provides a digital platform across 3 brands: Lendi, Aussie and Domain Home Loans. We exist to usher in and lead a new era of connection between borrowers, lenders and data in the Australian and global property market.

Our Submission

As noted in our initial submission to the ACCC dated 22 May 2023 (**Initial Submission**), Lendi Group remains strongly supportive of the proposed Aggregator Assurance Program. Further to the comments in support of the Aggregator Assurance Program set out in our Initial Submission, we have attempted to quantify the time and resources spent engaging in assurance reviews to demonstrate the potential for greater efficiencies and cost savings if the Aggregator Assurance Program were to be adopted. The statistics for the Aussie brand indicate that between FY21- FY22:

- Aussie completed 14 assurance reviews;
- Those reviews remained open from between 5 days and 135 days;
- The estimated length of time involved for each review was between 2 hours and over 70 hours.



General Comments on the Draft Determination

Paragraph 5.24 – Lendi Group agrees that there is a significant public benefit to be gained from improved consistency in assurance reviews. By having a mandated benchmark across the industry and the benefit of interacting with one assurance service provider, this would allow program participants to have higher quality engagement with the assurance process. Lendi Group does not anticipate that joint assurance reports would result in a lower standard of assurance review as noted by the ACCC in paragraphs 5.83-5.85, as a consistent benchmark and increased familiarity with the review process would allow the Group to upskill internal compliance resources and systems, and develop tailored standard operating procedures for responding to reviews.

Paragraph 5.45 – Lendi Group acknowledges the ACCC's position vis-à-vis the likelihood of improved compliance standards and resulting public benefit. However, and per the statistics outlined above, Lendi Group is confident that the reduction in the number of assurance reviews contemplated by the Aggregator Assurance Program would enable the Group to direct additional time and resources into improving our compliance standards and delivering beneficial outcomes for both customers and brokers.

Paragraph 5.88 – Lendi Group acknowledges the ACCC's concerns with the draft scope and the details pertaining to the best interests duty obligation, responsible lending obligations and conflicted remuneration. However, Lendi Group respectfully submits that upholding these standards is the cornerstone of mortgage aggregators' business and the ACCC can be satisfied that not achieving strict compliance with these obligations has severe implications on the ability of aggregators and lenders to conduct their business. Lendi Group anticipates that a consolidated assurance program administered by a single expert assurance service provider would result in a more detailed and comprehensive scope of review than that which exists currently pursuant to the individual review process.

Closing comments

Lendi Group extends its thanks to the ACCC for the opportunity to provide this submission. We continue to be fully supportive of the Aggregator Assurance Program and welcome the opportunity to be further involved, alongside other mortgage aggregators and mortgage lenders, in determining the scope and design of the Program.

Should you require further information, please do not hesitate to contact David Hyman (CEO) at [REDACTED] or Nicole Johnschwager (Chief Risk and Legal Officer) at [REDACTED].

Yours sincerely

Lendi Group