

NOTICE OF FILING

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File Title:	AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v RAMS FINANCIAL GROUP PTY LTD ACN 105 207 538
Registry:	NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



A handwritten signature in blue ink that reads "Sia Lagos".

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.



Affidavit

No. of 2025

Federal Court of Australia
District Registry: NEW SOUTH WALES
Division: GENERAL

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Applicant

AND

RAMS FINANCIAL GROUP PTY LTD (ACN 105 207 538)

Respondent

Affidavit of: **Scott Couper, Partner, Gadens**
Address: Level 11, 111 Eagle Street, Brisbane QLD 4051
Occupation: Solicitor
Date: 3 June 2025

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A handwritten signature in blue ink, appearing to be "SC", is written over a horizontal line.

Scott Couper

A handwritten signature in blue ink, appearing to be "J. Carson", is written over a horizontal line.

Witness

Filed on behalf of the Australian Securities and Investments Commission, Applicant

Prepared by Scott Couper

Tel 07 3223 4785

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Email scott.couper@gadens.com

Address for service: Level 11, 111 Eagle Street
BRISBANE QLD 4000

I, **SCOTT COUPER**, of Level 11, 111 Eagle Street, Brisbane, Queensland, Solicitor, state on oath:

1. I am a Partner at Gadens Lawyers (**Gadens**), the solicitors for the Applicant, the Australian Securities and Investments Commission (**ASIC**), and I am authorised to swear this affidavit on its behalf.
2. I am informed by Ms Sarah Bower, Senior Manager, Office of Enforcement at ASIC, who instructs me in relation to these proceedings, and believe that:
 - 2.1 In or around August 2023, ASIC commenced an investigation into the Respondent, RAMS Financial Group Pty Limited (**RFG**), being a wholly owned subsidiary of Westpac Banking Corporation (**Westpac**). The investigation related to concerns about suspected contraventions of the *National Consumer Credit Protection Act 2009* (Cth) by RFG and its representatives in connection with the provision of home loan products.
 - 2.2 RFG has cooperated with ASIC in relation to ASIC's concerns. The parties, subject to the Court's approval, have reached agreement as to the resolution of the matter in accordance with the Statement of Agreed Facts and Admissions dated 3 June 2025, annexed to this affidavit and marked "**SC-01**".
3. All the facts and circumstances deposed to in this affidavit are within my own knowledge except where they have been deposed to from information only and my means of knowledge and sources of information appear in my affidavit.

Sworn by **SCOTT COUPER** at Brisbane in the)
 State of Queensland on 3 June 2025 in the)
 presence of:)
)



Signature of witness
 Name: Isabella Joy Parsons
 Qualification: Solicitor



Signature of deponent

Federal Court of Australia
District Registry: NEW SOUTH WALES
Division: GENERAL

No. of 2025

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Applicant

AND

RAMS FINANCIAL GROUP PTY LTD (ACN 105 207 538)

Respondent

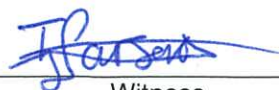
CERTIFICATE OF ANNEXURE

SC-01

This is annexure **SC-01** to the affidavit of Scott Couper sworn on 3 June 2025.



Scott Couper



Witness

Filed on behalf of the Australian Securities and Investments Commission, Applicant

Prepared by Scott Couper

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Address for service: Level 11, 111 Eagle Street
BRISBANE QLD 4000

Federal Court of Australia
District Registry: New South Wales
Division: General

No. of 2025

Australian Securities and Investments Commission

Applicant

RAMS Financial Group Pty Limited ACN 105 207 538

Respondent

Statement of Agreed Facts and Admissions on Liability

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INTRODUCTION

1. The Applicant (**ASIC**) and the Respondent (**RFG**) agree, pursuant to s 191 of the *Evidence Act 1995* (Cth), that the facts stated in this Statement of Agreed Facts and Admissions (**SAFA**) are not, for the purposes of this proceeding, disputed. The schedules to the SAFA form part of the SAFA.
2. RFG has at all material times been the holder of an Australian Credit Licence (**ACL**) granted under the *National Consumer Credit Protection Act 2009* (Cth) (**Credit Act**). It was engaged in the provision of credit activities authorised by its ACL and was relevantly regulated by the Credit Act.
3. This proceeding concerns conduct by RFG from 3 June 2019 to 30 April 2023 (**Relevant Period**) regarding its engagement in credit activities, and the engagement of its representatives in such credit activities. RFG admits that some of the relevant conduct, including misconduct of the nature described in paragraphs 66–72 below, occurred prior to the Relevant Period, in the period 1 January 2018 to 2 June 2019.
4. For the conduct that occurred during the Relevant Period, the parties submit that in addition to declaratory relief pursuant to s 166 of the Credit Act, the Court ought to make an order that RFG pay pecuniary penalties pursuant to s 167 of the Credit Act, as well as ASIC's costs.
5. By reason of the agreed facts set out in this SAFA, RFG admits that during the Relevant Period:
 - (a) RFG contravened s 31(1) of the Credit Act, by its representatives accepting referrals of consumers for loans, in circumstances where the referrers were contravening s 29 of the Credit Act in making the referrals;
 - (b) RFG contravened s 47(1)(a) of the Credit Act, by failing to do all things necessary to ensure that the credit activities authorised by the RFG ACL were engaged in efficiently, honestly, and fairly;
 - (c) RFG contravened s 47(1)(b) of the Credit Act by failing to have in place adequate arrangements to ensure that consumers were not disadvantaged by any conflict of interest that may arise wholly or partly in relation to credit activities engaged in by RFG or its representatives;

- (d) RFG contravened s 47(1)(d) of the Credit Act by failing to comply with the credit legislation;
 - (e) RFG contravened s 47(1)(e) of the Credit Act by failing to take reasonable steps to ensure that its representatives complied with the Credit Act;
 - (f) declarations of contraventions of the above sections ought to be made:
 - (i) pursuant to s 166 of the Credit Act for the contraventions of ss 31(1), 47(1)(a), 47(1)(b) and 47(1)(e) of the Credit Act; and
 - (ii) pursuant to s 21 of the Federal Court Act for the contravention of s 47(1)(d) of the Credit Act;
 - (g) an order ought to be made that RFG pay pecuniary penalties pursuant to s 167 of the Credit Act in respect of the contraventions of ss 31(1), 47(1)(a), 47(1)(b), and 47(1)(e) of the Credit Act; and
 - (h) RFG ought to be ordered to pay ASIC's costs of the present proceeding.
6. Except where otherwise stated, the facts set out in this SAFA relate to the Relevant Period.
 7. The schedules to the SAFA comprise:
 - (a) Schedule 1, being a table summarising the findings of misconduct made by Westpac's Group Investigations (**GI**) team following investigations into allegations of misconduct at a number of RFG franchises between at least 1 January 2018 and April 2023; and
 - (b) Schedule 2, being a table summarising findings made by Westpac's GI team of occasions on which RFG franchisees and employees dealt with unaccredited referrers in circumstances where those dealings resulted in contraventions of s 31(1) of the Credit Act.
 8. The parties jointly seek the declarations and orders sought in the Originating Application dated 3 June 2025.

AGREED BACKGROUND FACTS

Relevant Entities

9. ASIC was at all material times, and remains:
 - (a) a body corporate established under s 7 of the *Australian Securities and Investments Act 1989* (Cth) and continued in existence under s 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**); and
 - (b) entitled under s 8 of the ASIC Act to sue and be sued in its corporate name.
10. RFG is and was at all material times:
 - (a) a company incorporated under the *Corporations Act 2001* (Cth) (**Corporations Act**);
 - (b) the holder of ACL number 388065 (**RFG ACL**), which licence (as amended from time to time) it has held since 1 March 2011;
 - (c) a licensee for the purposes of ss 31 and 47 of the Credit Act; and
 - (d) a wholly owned subsidiary of Westpac Banking Corporation Limited (**Westpac**).
11. RFG's total portfolio value as at September 2024 was \$29,836,000,000, which represented 3.7% of Westpac's total portfolio value as at September 2024 (being \$806,767,000,000).

Application of the Credit Act

12. At all material times, RFG was authorised by the RFG ACL, relevantly, to engage in “credit activities other than as a credit provider” by undertaking certain credit activities including:
 - (a) to provide a credit service, where RFG was not, or would not be (where the service relates to a credit contract or proposed credit contract) the credit provider under the contract;
 - (b) to perform the obligations or to exercise the rights of a credit provider in relation to a credit contract or proposed credit contract under which RFG was not or would not be the credit provider; and
 - (c) to perform the obligations or to exercise the rights of a mortgagee in relation to a mortgage or proposed mortgage that secures, or would secure, obligations under a credit contract, under which RFG was not the credit provider.
13. As the holder of an ACL, at all material times, RFG was:

- (a) pursuant to s 31(1) of the Credit Act, prohibited from engaging in a credit activity, if in doing so, it conducted business with another person who was engaging in a credit activity, and by engaging in the credit activity, the other person contravened s 29 of the Credit Act (which deals with the requirement to be licensed); and
- (b) subject to the general conduct obligations of a licensee in s 47 of the Credit Act, which relevantly included:
 - (i) in s 47(1)(a), an obligation to do all things necessary to ensure that the credit activities authorised by the RFG ACL were engaged in efficiently, honestly and fairly;
 - (ii) in s 47(1)(b), an obligation to have in place adequate arrangements to ensure that consumers were not disadvantaged by any conflict of interest that may arise wholly or partly in relation to credit activities engaged in by it or its representatives;
 - (iii) in s 47(1)(d), an obligation to comply with the credit legislation (which includes the Credit Act); and
 - (iv) in s 47(1)(e), an obligation to take reasonable steps to ensure that its representatives complied with the credit legislation (which includes the Credit Act).

RFG and its Representatives

- 14. Westpac acquired RFG in 2008.
- 15. During the Relevant Period, RFG, pursuant to the RFG ACL, relevantly assisted consumers to obtain home loans financed by Westpac (albeit those loans were branded as “RAMS Home Loans”). That assistance included conducting (through RAMS Franchisees and Loan Writers) a preliminary assessment of whether the credit contract would be not unsuitable for the consumer. RFG was not, itself, a credit provider.
- 16. More specifically, pursuant to the RFG ACL, RFG provided credit assistance:
 - (a) between at least 1 January 2018 and 15 December 2020:
 - (i) in relation to RAMS-branded home loans financed by Westpac; and
 - (ii) in relation to home loans with other lenders on the “RAMS Choice” (a third-party aggregator) panel; and
 - (b) from 16 December 2020, only in relation to RAMS-branded home loans financed by Westpac.

17. During the Relevant Period, RFG:
- (a) had a subsidiary board, the directors of which were appointees of Westpac;
 - (b) was managed by a Managing Director who:
 - (i) was an employee of Westpac;
 - (ii) was a director of the subsidiary board; and
 - (iii) reported to a Westpac Executive, the role and title of whom varied from time to time during the Relevant Period;
 - (c) operated a Head Office, the staff of which were employees of Westpac;
 - (d) was located within a business division of Westpac, the name of which varied from time to time during the Relevant Period;
 - (e) established and maintained various management and operations committees, which supported and monitored RFG's operations, the members of which were either RFG Head Office staff or Westpac staff, all of whom were employees of Westpac; and
 - (f) operated a franchise network as described starting in the following paragraph.
18. During the Relevant Period, RFG, as franchisor, operated the **RAMS Franchise Network**, where:
- (a) franchisees (**RAMS Franchisees**) used the RAMS business name to provide credit assistance to consumers in relation to the distribution of RAMS-branded home loans; and
 - (b) the RAMS-branded home loans were credit contracts with Westpac (being credit to which the Credit Act applied).
19. There were a total of 73 RAMS Franchisees from time to time within the RAMS Franchise Network during the course of the Relevant Period, though the number of RAMS Franchisees operating at any one time varied.
20. During the Relevant Period, RAMS Franchisees:
- (a) operated under individual RAMS franchise agreements with RFG (**Franchise Agreement**):
 - (i) the terms of which were amended from time to time; and

- (ii) which were subject to the Franchising Code of Conduct, as enacted by the *Competition and Consumer (Industry Codes—Franchising) Regulation 2014* (Cth); and
 - (b) employed their own staff, including staff involved in submitting loan applications (**Loan Writers**).
21. During the Relevant Period, RAMS Franchisees and Loan Writers were Authorised Credit Representatives (**ACRs**) of RFG as described in paragraph 29 below.

Policies applicable to RFG and RAMS Franchises

22. During the Relevant Period, Westpac Group and Consumer Division policies (**Westpac Policies**) applied to RFG's Head Office staff.
23. During the Relevant Period, in addition to the terms of the Franchise Agreement, RAMS Franchisees and their employees (including Loan Writers) were required to comply with:
- (a) the RAMS Franchise Network's Operations Manual, as amended by RFG from time to time (**RAMS Operations Manual**), and incorporated by reference into the Franchise Agreement;
 - (b) policies, guidelines, and procedures as amended by RFG from time to time (**RAMS Policies**), which relevantly included:
 - (i) the RAMS Compliance Policy – National Consumer Protection Act 2009 (Cth) Policy;
 - (ii) the **RAMS Conflict of Interest Policy** and the RAMS Conflicts of Interest Procedure;
 - (iii) the RAMS Franchise Behavioural and Ethical Standards Policy (the **RAMS Behavioural Policy**);
 - (iv) the RAMS Franchise Third Party Referrer Policy (the **RAMS Referrer Policy**);
 - (v) the RAMS Referrer Procedure;
 - (vi) the RAMS Franchise Technology Code of Use Policy (the **RAMS Technology Code of Use Policy**);
 - (vii) the RAMS Customer Identification Procedure (the **RAMS Identification Procedure**);
 - (viii) the RAMS Privacy Operating Guidelines (the **RAMS Privacy Guidelines**);

- (ix) the **RAMS Lending Guidelines**;
 - (x) the RAMS Disclosure Document 2014 Code;
 - (xi) the RAMS Franchise Sales Procedure; and
 - (xii) the RAMS Customer Identification Policy.
24. The RAMS Franchise Incident and Consequence Management Policy, later referred to as the RAMS Consequence Management Guidelines (**Consequence Management Policy**), provided for the manner in which any RAMS Franchise Network contract breaches should be managed by RFG, which included breaches of:
- (a) a Franchise Agreement, as referred to in paragraph 20(a) above;
 - (b) the RAMS Operations Manual, as referred to in paragraph 23(a) above; and
 - (c) a Credit Representative Agreement, as referred to in paragraph 29 below.
25. Further, during the Relevant Period, RAMS Franchisees and their employees (including Loan Writers) were required to operate using RFG's systems infrastructure, which relevantly included:
- (a) an electronic lodgement, leads management and home loan application lodgement system (**Symmetry**), which was the system RAMS Franchisees and their employees (including Loan Writers) used to submit consumer loan applications to RFG;
 - (b) RAMS Origination System (**ROS**), which was an IT system that RFG used, among other things, to process loan applications, and which provided RAMS Franchisees and their employees (including Loan Writers) with visibility of the status of loan applications they had submitted. The ROS interfaced with Symmetry; and
 - (c) various other RFG information technology systems, including RFG mobile device applications and RFG infrastructure connecting franchise sites to RFG and support services via a RAMS Help Desk.
26. During the Relevant Period, RFG provided, pursuant to the Franchise Agreements, ongoing commissions to RAMS Franchisees in relation to the distribution of RAMS-branded home loans to consumers (calculated as a percentage of the outstanding balance of active settled loans each month, less any 'Royalty Fee' or 'RAMS Share' (defined in the Franchise Agreement) to which RFG was entitled in respect of a given product) (**Trail Commission**). The Franchise Agreements provided that:

- (a) RFG was required to continue to pay Trail Commission where the Franchise Agreement expired at the end of its term, unless the parties agreed otherwise;
 - (b) where a Franchise Agreement ended early, a lower rate of commission at 75% of standard Trail Commission applied; and
 - (c) Trail Commission ceased on loans while they were more than 90 days in arrears.
27. With the exception of the 25% reduction in Trail Commission where a Franchise Agreement was terminated, the Franchise Agreements did not include any provisions to terminate Trail Commission payments to RAMS Franchisees where misconduct relating to the RAMS Franchisee was detected. That structure did not incentivise RAMS Franchisees to avoid misconduct (including misconduct falling within the categories described in paragraphs 66–72 below) in their business activities.
28. Pursuant to its obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), Westpac established an Anti-Money Laundering and Counter-Terrorism Financing Part B Program, which Westpac required RFG to comply with. In 2012, RFG set up an Electronic Verification Scorecard which stipulated the rules by which an RFG customer could be identified digitally.

RAMS Authorised Credit Representatives

29. Prior to, and during, the Relevant Period, RFG appointed RAMS Franchisees, and certain employees of the RAMS Franchisees, as its ACRs, within the meaning of s 64 of the Credit Act (**RAMS ACRs**). These appointments were made pursuant to the Credit Act and documented in the following agreements:
- (a) written Corporate Credit Representative Agreements with corporate RAMS Franchisees; and
 - (b) written Credit Representative Agreements with non-corporate RAMS Franchisees and employees of RAMS Franchisees
- (collectively, **Credit Representative Agreements**).
30. Pursuant to the Credit Representative Agreements, RFG appointed RAMS ACRs:
- (a) as its credit representatives under the Credit Act, and authorised them to engage in credit activities on its behalf; and
 - (b) as subagents of Westpac to carry out identification procedures on Westpac's behalf for the purposes of the AML/CTF Act and the Verification of Identity Regulations

(being any requirements to identify a person in connection with the granting of a mortgage).

31. The Credit Representative Agreements authorised RAMS ACRs to carry out, relevantly, the following activities:
- (a) to follow up on leads provided by RFG, the RAMS Franchisee or self-generated leads;
 - (b) to provide a credit guide to a customer in accordance with RFG's instructions;
 - (c) to conduct interviews to make reasonable inquiries about a customer's financial situation, and their requirements and objectives, using tools provided by RFG;
 - (d) to take reasonable steps to verify a customer's financial situation in accordance with RAMS Policies;
 - (e) to make a preliminary assessment about whether a facility or variation to an existing facility is not unsuitable for a customer, using tools provided by RFG; and
 - (f) to assist a customer to complete an application or variation application for facilities that are determined to be not unsuitable by the preliminary assessment, using tools provided by RFG.
32. When carrying out the activities described in the preceding paragraph, RAMS ACRs engaged in a "credit activity" for the purposes of the Credit Act.
33. Further, RAMS ACRs were, pursuant to subparagraph (a)(iii) of the definition of "representatives" in s 5(1) of the Credit Act, representatives of RFG.
34. RAMS ACRs were required to:
- (a) complete initial training to satisfy training standards as determined by RFG prior to acting under their ACR appointment;
 - (b) complete ongoing training, as specified by RFG and set out in the RAMS Operations Manual described in paragraph 23(a) above;
 - (c) comply, relevantly, with the RAMS Policies, and to use the information technology and other operational systems provided to them by RFG, including RFG's systems infrastructure described in paragraph 25 above;
 - (d) deal only with accredited referral partners as described in paragraph 37 below, in accordance with:

- (i) the RAMS Operations Manual described in paragraph 23(a) above; and
 - (ii) the RAMS Referrer Policy described in paragraph 23(b)(iv) above; and
- (e) disclose details of any actual or perceived conflicts of interest, in particular where the RAMS ACR had a personal interest which could be inconsistent with the interests of RFG or its customers, such that it could influence or compromise, or appear to influence or compromise, the RAMS ACR's duties and responsibilities to RFG or its customer, in accordance with:
- (i) the RAMS Operations Manual described in paragraph 23(a) above; and
 - (ii) the RAMS Conflict of Interest Policy described in paragraph 23(b)(ii) above.
35. Where RAMS Franchisees and RAMS ACRs failed to comply with RAMS Policies, the RAMS Franchisees and RAMS ACRs breached their Franchise Agreements and Credit Representative Agreements with RFG.

Operation of the RAMS Franchise Network

RFG's process for accrediting referrers

36. During the Relevant Period, RAMS Franchisees and their employees received referrals of prospective customers from third parties (**referrals**).
37. During the Relevant Period, RAMS Franchisees and their employees were only permitted to accept referrals from third parties who were, with limited exceptions, referrers who had been accredited (**Accredited Referrers**) in accordance with the requirements of:
- (a) the RAMS Operations Manual;
 - (b) the RAMS Referrer Policy; and
 - (c) the RAMS Franchise Referrer Procedure
- (**the RAMS Accreditation Process**).
38. Throughout the Relevant Period, RAMS Franchisees received induction training about the policies and procedures in place that applied to the use of Accredited Referrers, and their associated responsibilities under the RAMS Accreditation Process.
39. Pursuant to the RAMS Accreditation Process, only the following three types of referrers could be accredited:
- (a) an entity that held an ACL under Part 2-2 of the Credit Act or who was an ACR of an ACL holder under Part 2-3 of the Credit Act, and who conducted a referral business;

- (b) an entity that was exempt under the *National Consumer Credit Protection Regulations 2010* (Cth) and conducted a business in which providing referrals was incidental to its main activities (**Exempt Referrer**); or
- (c) a Westpac-approved broker that held an ACL or was an ACR (**Westpac-Approved Broker**).

40. During the Relevant Period:

- (a) in order for a prospective referrer to become accredited under the RAMS Accreditation Process:
 - (i) a RAMS Franchisee or employee was required to:
 - (A) gather information about the identity of the prospective referrer;
 - (B) gather information to confirm whether the prospective referrer held a current ACL, was a current ACR of an ACL-holder, was a Westpac-Approved Broker or was an Exempt Referrer;
 - (C) conduct searches in relation to the prospective referrer, including a company search (where relevant) and searches to determine whether the prospective referrer had been banned or disqualified by ASIC; and
 - (D) undertake any other steps set out in the RAMS Operations Manual, RAMS Referrer Policy and RAMS Franchise Referrer Procedure in relation to the prospective referrer;
 - (ii) the RAMS Franchisee or employee was required to submit the accreditation request to RFG for determination;
 - (iii) Westpac would perform additional checks on the prospective referrer and related individuals prior to determination (including ABN and ASIC searches, verification of the prospective referrer's business address, and checks against Westpac's internal databases, which included the names of individuals with known misconduct, financial crime links or involvement in fraud);
 - (iv) a team within RFG called "RAMS Franchise Field Compliance" notified the relevant RAMS Franchisee of the outcome of the accreditation request; and
 - (v) a Referrer Agreement was required to be entered into between the relevant RAMS Franchisee and the prospective referrer;
- (b) once accredited and subject to the type of referrer they were (see paragraph 39 above), Accredited Referrers would:

- (i) provide consumer details, including the consumer's name, contact details and a short description of their purpose for seeking the provision of credit, if known, to the RAMS Franchisee;
 - (ii) conduct an initial lending conversation with the consumer; and/or
 - (iii) provide completed home loan application forms and supporting documents to RAMS Franchisee.
- 41. In the event a consumer who wished to apply for a RAMS-branded home loan was referred to a RAMS Franchisee by an Accredited Referrer, the RAMS Franchisee or RAMS ACR was required to inform RFG that the loan application had been so referred, including by providing details of the Accredited Referrer's unique referrer identifier code in Symmetry as part of the home loan application process.

Loan application process

- 42. During the Relevant Period, consumers approached RAMS Franchisees:
 - (a) through a central RAMS phone number for consumer enquiries, being 13RAMS (137 267), which referred consumers to the RAMS Franchisees;
 - (b) through Accredited Referrers; or
 - (c) by directly approaching a RAMS Franchisee or Loan Writer.
- 43. Having been approached by consumers, RAMS Franchisees or their Loan Writers obtained information and documents from the consumers for the purpose of submitting loan applications to RFG for RAMS-branded home loans.
- 44. Prior to lodging home loan applications on behalf of consumers, during the Relevant Period RAMS Franchisees and their Loan Writers were required:
 - (a) pursuant to the Franchise Agreement, to ensure accurate capture of the consumer's information, and that the information was a true and accurate reflection of the consumer's circumstances;
 - (b) pursuant to the Credit Representative Agreement, to take reasonable steps to correctly collate and convey any information provided to RFG or any lender (including information in relation to any application), and not provide any information that the RAMS Franchisee or its officers, employees, agents or contractors knows (or should know) is false, misleading or forged;
 - (c) pursuant to the RAMS Policies:
 - (i) to identify the consumer;

- (ii) to assess whether the consumer was eligible for a RAMS-branded home loan, in accordance with the RAMS Lending Guidelines, as amended from time to time;
- (iii) to perform a preliminary suitability assessment about the consumer, in the course of which they were required to ascertain the consumer's financial situation by:
 - (A) identifying and recording accurately the consumer's requirements and objectives and ensuring any recommended loan met their requirements;
 - (B) collecting accurate, relevant and complete information about the consumer, including their financial information; and
 - (C) checking, verifying and assessing the consumer's information, including financial information, carefully to ensure RFG had a complete picture of the consumer's financial situation, including income, expense, employment status, and exit strategy should the loan term exceed the consumer's expected retirement age; and
- (iv) in the course of performing the suitability assessment, to:
 - (A) obtain supporting documents to confirm the consumer's financial and personal situation as described and set out in:
 - (1) the RAMS Lending Guidelines, as amended from time to time; and
 - (2) the Operations Manual;
 including:
 - (3) documents required for Pay As You Go employees;
 - (4) loan statements;
 - (5) documents required for self-employed consumers; and
 - (6) documents to substantiate the consumer's funds to complete, such as the deposit;
 - (B) review the consumer's supporting documentation in accordance with the RAMS Lending Guidelines;
 - (C) validate the consumer's declared liabilities (and were strongly recommended to obtain a report from a credit reporting body);
 - (D) optionally obtain valuations;
 - (E) assess the capacity of the consumer to service the loan; and

- (v) before submitting a loan application, check all the consumer's information carefully to ensure RFG had a complete picture of the consumer's financial position.
- 45. Once the above steps were complete, the RAMS Franchisee or Loan Writer submitted the loan application to a team comprised of Westpac employees called "RAMS Credit & Loan Operations" (**RAMS Credit**), which, on behalf of Westpac, processed applications for approved products from receipt of the application until they instructed solicitors to prepare loan documents for settlement.
- 46. Upon receipt of a loan application, RAMS Credit first undertook a "triage" process (which throughout the Relevant Period, was undertaken by a team called "RAMS Home Ownership Services") to ensure that the loan application was in a state ready for assessment by a RAMS Credit Manager. As part of the "triage" process, RAMS Credit was required to:
 - (a) ensure that all supporting documents were provided in accordance with the RAMS Policies;
 - (b) assess whether there was any missing information or documents;
 - (c) verify information in the loan application by cross-checking it against supporting documents;
 - (d) undertake "Requirements and Objectives checks", including to ensure that the loan application included a full and complete preliminary assessment; and
 - (e) use triage "checklists" to perform their functions.
- 47. If, following the "triage" process, the loan application was determined to be in a state ready for assessment by a RAMS Credit Manager, it was allocated to a RAMS Credit Manager within RAMS Credit to conduct, on behalf of the credit provider, a substantive assessment of whether the credit contract would be unsuitable for the customer.
- 48. The assessment by a RAMS Credit Manager involved:
 - (a) reviewing the loan application and ensuring it complied with policy, verifying the income documents and checking for red flag indicators that could indicate fraud;
 - (b) considering the comprehensive credit report information as well as security information contained within the valuation report;
 - (c) reviewing financial statements that could indicate non-disclosure of information;
 - (d) performing an unsuitability assessment on behalf of Westpac;

- (e) completing a “credit memorandum” which referenced the credit calculations, as well as completing servicing calculations; and
 - (f) sending the loan to the Settlement Team for settlement if approved.
- 49. On some occasions, as an additional step within the process, the loan application was referred to the RAMS Risk and Fraud Operations team (**RAMS Risk and Fraud**), including where there were anomalies or concerns about information or consumers in respect of an application.
- 50. Once a RAMS Credit Manager assessed the application, the RAMS Credit Manager, on behalf of Westpac as the credit provider, would take one of the following steps:
 - (a) approve the application conditionally;
 - (b) approve the application unconditionally;
 - (c) defer the application for the purpose of obtaining further information; or
 - (d) decline the application.
- 51. Since at least June 2019, RFG also conducted post-loan settlement “Welcome Calls” with consumers, in respect of which:
 - (a) the calls were outsourced to a contact centre at Unisys Mortgage Processing (**UMP**);
 - (b) the calls were required to collect information from consumers;
 - (c) the information collected permitted UMP to determine whether there were anomalies in the manner in which RAMS ACRs discharged their obligations under the RAMS’ ACL (including whether the consumer had been referred from a third party other than an Accredited Referrer); and
 - (d) in the event of an anomaly, UMP was required to refer the Welcome Calls to RAMS Compliance for further review.

Investigations process

- 52. During the Relevant Period, misconduct concerns relating to a RAMS Franchise could be investigated by one or more of:
 - (a) RFG;
 - (b) a group within Westpac called the Secured Lending Taskforce (**SLTF**), which could have received the request to investigate from either RFG or Westpac; and
 - (c) a group within Westpac called GI (defined above), which could have received the request to investigate from either RFG or Westpac.

53. Where SLTF undertook an investigation into misconduct concerns relating to a RAMS Franchise, it provided the findings of that investigation to relevant groups, which included GI. Those findings could be incorporated by GI into its investigation. From around mid-2022, having regard to information sharing restrictions imposed by relevant laws, RFG was provided with only a summary of SLTF's findings, and only in instances where termination and/or revocation of the Franchise Agreement and/or Credit Representative Agreement was recommended by Westpac.
54. Where GI undertook an investigation into misconduct concerns relating to a RAMS Franchise it would, on completion of its investigation, prepare a report which included its findings about whether the misconduct was "substantiated" (**GI Report**). Of the 35 GI Reports that have informed Schedules 1 and 2 to this SAFA, 24 GI Reports were addressed, or copied, to RFG's Managing Director. In relation to the remaining GI Reports, all were addressed, or copied, to either the Head of Risk and Compliance and/or in-house lawyers supporting the RAMS business.
55. During the Relevant Period, RFG used Westpac's risk and compliance system, known as "JUNO", to record and manage risk and compliance issues.

RFG's Responsibilities

56. In the operation of the RAMS Franchise Network, RFG was required to comply with the obligations described at paragraph 13 above. Having regard to the nature and size of RFG's business, this required RFG to:
- (a) in order to comply with s 47(1)(a) of the Credit Act, amongst other things:
 - (i) create adequate policies and procedures for the operation of the RAMS Franchise Network;
 - (ii) take reasonable steps to ensure that those policies and procedures were complied with by RFG and RAMS ACRs;
 - (iii) adequately investigate and respond to possible misconduct within the RAMS Franchise Network (**RAMS Misconduct Investigation Responsibilities**), including:
 - (A) in response to investigations by:
 - (1) the SLTF; and
 - (2) GI; and

- (B) by implementing appropriate controls to manage identified risks, where those risks were identified in the course of discharging RAMS Misconduct Investigation Responsibilities; and
- (iv) comply with its obligations pursuant to ss 47(1)(b) and 47(1)(e) as described in paragraphs (b) and (c) below, and its obligations pursuant to s 31(1) of the Credit Act;
- (b) in order to comply with s 47(1)(b) of the Credit Act, have in place adequate arrangements to ensure that consumers were not disadvantaged by any conflict of interest that may arise wholly or partly in relation to credit activities undertaken by it **(RAMS Conflicts of Interest Responsibilities)**; and
- (c) in order to comply with s 47(1)(e) of the Credit Act, have in place adequate arrangements to ensure that RAMS ACRs complied with policies and procedures that were implemented for the purposes of ensuring RAMS ACRs complied with the Credit Act, including to:
 - (i) conduct adequate compliance audit and routine loan file review procedures to detect misconduct in relation to loan applications received from RAMS Franchisees; and
 - (ii) adequately investigate and respond to possible misconduct within the RAMS Franchise Network as described in subparagraph 56(a)(iii) above

(RAMS Policy and Procedure Compliance Responsibilities).

AGREED FACTS ON LIABILITY

Misconduct within the RAMS Franchise Network

- 57. During the Relevant Period, Westpac and RFG undertook investigations, including through GI and SLTF, into allegations of misconduct relating to the RAMS Franchises.
- 58. The nature of the alleged misconduct investigated by GI and SLTF varied widely, including as described in paragraphs 66–72 below.

The Agreed Schedules

- 59. Schedules 1 and 2 to this SAFA summarise substantiated findings of misconduct made by GI **(GI Findings)**. The GI Findings:
 - (a) relate to conduct that occurred over the course of a 5-year period from at least 1 January 2018 to April 2023;

- (b) involve staff, including RAMS Franchisees and Loan Writers, at 12 RAMS Franchises (being the St George, South Melbourne, Liverpool, Sydney CBD, Melbourne North East, Norwest, Alphington, Ryde, Fairfield, Inner West, Auburn Granville and Marrickville franchises) (**Relevant Franchises**); and
 - (c) are set out in 35 GI Reports, the first of which is dated 17 August 2019 (South Melbourne) and the last of which is dated 18 August 2023 (Auburn Granville).
60. RFG was made aware of the GI Findings, including through the provision of GI reports to its Managing Director, Head of Risk and Compliance and/or in-house lawyers supporting the RAMS business.

Schedule 1 – RAMS Franchise Misconduct

61. Schedule 1 to this SAFA summarises the GI Findings in relation to the Relevant Franchises. Specifically:
- (a) the first column sets out the item number;
 - (b) column A identifies the category of misconduct with reference to one or more of the categories of misconduct described in paragraphs 66–72 below;
 - (c) column B identifies the time period over which the misconduct occurred;
 - (d) column C summarises the particular misconduct in respect of each item number;
 - (e) column D identifies the RAMS or Westpac Policies that GI found had been breached by virtue of the misconduct;
 - (f) column E identifies the date of the relevant GI Report; and
 - (g) column F identifies whether there was a related SLTF Report, and the number of that Report.
62. The misconduct which is the subject of the GI Reports is categorised for the purposes of Column A of Schedule 1 as follows:
- (a) Unaccredited Referrer Misconduct;
 - (b) Conflict of Interest Misconduct;
 - (c) False Documentation Misconduct;
 - (d) Transfer of Funds Misconduct;
 - (e) Privacy and IT Misconduct; and

(f) Other Policy and Procedure Misconduct.

63. Cases involving false documentation that were investigated by GI and SLTF included occasions where loan applications submitted to RFG by RAMS Franchises were supported by false documentation in respect of which:

- (a) the false documentation was provided to RFG presumably in order to increase the prospects of the loan application being approved by RAMS Credit on behalf of Westpac;
- (b) one example of a case involving false documentation was described as a “staged wages” case, which occurred when loan applications were supported by misleading documentation (such as false pay slips from non-existent employers, supported by bank account statements which showed payments into those accounts of amounts coinciding with the false pay slips) which gave the impression (or “staged”) that the loan applicant was receiving wages of a particular amount from a particular employer, where those representations were untrue;
- (c) where GI and/or SLTF undertook investigations into false documentation cases, it was sometimes the case that GI and/or SLTF was satisfied that false documentation had been provided in support of a loan application, but did not then proceed to, or were not able to, determine which party or parties (from among the loan applicant, the referrer and the RAMS Franchisee or their employees) knew that false documents had been supplied in support of a loan application. Accordingly, the False Documentation Misconduct described in paragraph 69 below does not capture all instances where false documentation was provided to RFG in support of loan applications, only those instances where GI and/or SLTF made findings that RAMS Franchisees or their employees were involved in the misconduct; and
- (d) the False Documentation Misconduct described in paragraph 69 below captures those occasions where, in the opinion of the GI investigator, it could be established that RAMS Franchisees or their employees had *themselves* knowingly submitted loan applications supported by false documentation or information or were complicit in doing so. In a number of the investigations undertaken by GI and SLTF during the Relevant Period, GI and/or SLTF was unable to determine whether the RAMS Franchisee or their employees knew that the documents supplied were false. Accordingly, the False Documentation Misconduct described in paragraph 69 below may not be exhaustive of all such False Documentation Misconduct which actually took place.

64. Where, in the GI Reports described in Schedule 1, GI found that the RAMS or Westpac Policies identified in Column D of Schedule 1 had been breached by virtue of the misconduct, those policies are not necessarily an exhaustive list of the RAMS or Westpac Policies breached by virtue of the misconduct.

Schedule 2 – Section 31(1) Contraventions

65. Schedule 2 to this SAFA summarises the GI Findings of Unaccredited Referrer Misconduct (as defined in paragraph 66 below) in relation to the Relevant Franchises that involved contraventions of s 31(1) of the Credit Act. Specifically:
- (a) column A identifies the item number in Schedule 1 that relevantly deals with Unaccredited Referrer Misconduct;
 - (b) column B identifies the Relevant Franchise;
 - (c) column C identifies the name of the Relevant Franchise staff member that accepted the referral;
 - (d) column D identifies the unaccredited referrer; and
 - (e) column E identifies the number of contraventions of s 31(1) of the Credit Act referable to the item number.

Categories of Misconduct within the RAMS Franchise Network

Unaccredited Referrer Misconduct

66. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) accepting referrals from unaccredited referrers as described in Schedules 1 and 2; and
 - (b) thereby, breaching the RAMS Referrer Policy (**Unaccredited Referrer Misconduct**).
67. Where representatives at the Relevant Franchises accepted referrals from unaccredited referrers who did not hold an ACL under Part 2-2 of the Credit Act or who were not an authorised representative of an ACL holder under Part 2-3 of the Credit Act at the time of the referral, RFG contravened s 31(1) of the Credit Act, as described in paragraphs 88–89 below.

Conflicts of Interest Misconduct

68. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) engaging in credit activities where there was a conflict of interest or relationships between representatives at the Relevant Franchises and other commercial businesses which provided services or referrals to the Relevant Franchises as described in Schedule 1 at rows 22, 26, 27, 31, 33, 38, 39, 56, 67 and 81, including by:
 - (i) while acting as a principal at a Relevant Franchise, being listed as the sole signatory on the bank accounts of a company which referred loan applications to the Relevant Franchise and personally receiving commissions from those referrals;
 - (ii) personally, receiving monies from referrers; and
 - (iii) while acting as a principal at a Relevant Franchise, failing to declare a conflict of interest with an Accredited Referrer operated by that principal's brother; and
 - (b) thereby, breaching the RAMS Conflict of Interest Policy.

False Documentation Misconduct

69. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) submitting loan applications prepared by representatives at the Relevant Franchises which included, likely in order to increase the prospects of the loan application being approved, false information and/or documents in support of the loan applications in the manner identified in Schedule 1 at rows 14, 25, 35, 40, 41, 44, 51, 65, 77 and 83, including by:
 - (i) altering the declared expenses in loan applications to enable the loan to meet serviceability requirements;
 - (ii) representing that their own home loan application was for an investment property when in fact it was to be owner-occupied; and
 - (iii) coding loan applications to a party other than the true referrer; and
 - (b) thereby, breaching the policies described in the corresponding column D of those rows in Schedule 1.

Transfer of Funds Misconduct

70. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) transferring funds in relation to loans in the manner identified in Schedule 1 at rows 29, 36, 39 and 45, including by:
 - (i) facilitating the payment of customer arrears payments with the result that the Relevant Franchise continued to receive commission payments; and
 - (ii) making a payment to a customer for the purpose of satisfying the customer's settlement fees and the first year of the annual package fee; and
 - (b) thereby, breaching the policies described in the corresponding column D of those rows in Schedule 1.

Privacy and IT Misconduct

71. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) misusing information or IT systems in the manner described in Schedule 1 at rows 3, 4, 7, 15, 17, 19, 20, 21, 24, 30, 34, 37, 43, 46, 52, 55, 58, 61, 62, 64, 68, 73, 74, 79, 80, 82 and 84, including by:
 - (i) distributing RFG software to unaccredited referrers or persons not employed by RFG;
 - (ii) using unauthorised personal email accounts to store and distribute confidential customer identification and documentation; and
 - (iii) sharing a username and password with a third party; and
 - (b) thereby, breaching the policies described in the corresponding column D of those rows in Schedule 1.

Other Policy and Procedure Misconduct

72. During the Relevant Period, the types of conduct identified by GI in respect of particular Relevant Franchises included the following:
- (a) breaching other policies and procedures, or guidelines, not otherwise described in one of the categories described above, in the manner described in Schedule 1 at rows 1, 2, 9, 12, 18, 26, 29, 31, 33, 35, 42, 47, 48, 49, 53, 56, 59, 66, 73, 75, 76, 78, 80, 84 and 85, including by:

- (i) establishing proxy referrers knowing them to be employees of banned referrer companies;
 - (ii) failing to identify multiple anomalies in supporting documentation for loan applications at a level expected of a prudent loan writer; and
 - (iii) failing to identify customers themselves (but rather accepting false certified copies of customer identification from referrers); and
- (b) thereby, breaching the policies described in the corresponding column D of those rows in Schedule 1.

RFG's Failings

Failure to comply with RAMS Policy and Procedure Compliance Responsibilities and RAMS Misconduct Investigation Responsibilities

73. During the Relevant Period, RFG failed to:

- (a) take adequate steps to ensure that RAMS Franchises and their staff did not breach RAMS Policies in the manner described in Schedule 1;
- (b) prior to Project Guardian (as defined in sub-paragraph 77(b) below), create adequate policies and procedures for responding to possible misconduct, including by:
 - (i) adopting a consequence management process where decisions about consequences for misconduct by RAMS ACRs rested with the RAMS Head of Sales and the RAMS Head of Risk and Compliance and only if those two senior managers disagreed on the consequence would the Managing Director have the final decision right, in circumstances where the Head of Sales had a competing interest between promoting sales and growth verses penalising a RAMS Franchisee, and where that competing interest was not clearly mitigated; and
 - (ii) failing to create an effective consequence management policy which:
 - (A) set out parameters about when concerns about possible misconduct should be referred by RFG to SLTF or GI for investigation; and
 - (B) set out processes for addressing those matters described in subparagraph (f) below;
- (c) implement effective controls to ensure that RFG representatives did not breach the policy requirement not to deal with unaccredited referrers, including by failing to:

- (i) satisfy itself that there were adequate processes in place to verify that a referrer was accredited;
 - (ii) put in place controls to monitor the accuracy of an Accredited Referrer's unique referrer identifier code which was required to be entered in Symmetry by the RAMS Franchise as part of the home loan application process; and
 - (iii) include Welcome Calls as a control in JUNO, as a result of which, RFG management was unable to assess and confirm whether that control was operating effectively, in circumstances where Welcome Calls were the key control used by RFG for identifying the use of unaccredited referrers;
- (d) take adequate steps to ensure that RAMS Franchisees and their employees adhered to the process for a prospective referrer to become accredited under the Accreditation Process, which failure led to the use of referrers who:
 - (i) did not hold a current ACL under Part 2-2 of the Credit Act;
 - (ii) were not an authorised representative of an ACL holder under Part 2-3 of the Credit Act; or
 - (iii) not exempt from being required to hold an ACL under the credit legislation;
- (e) establish adequate compliance audit and routine loan file review procedures to detect misconduct, including by:
 - (i) establishing compliance audits with a very narrow focus that, among other things, were not designed to identify misconduct, and which excluded higher risk loan applications (such as declined or withdrawn files) from sampling processes; and
 - (ii) establishing an inappropriately undemanding paper file review process (5 files, every 6 months) undertaken by the RAMS Field Franchise sales team and was not focused on detecting misconduct issues; and
- (f) adequately respond to possible misconduct within the RAMS Franchise Network, including by virtue of failing to:
 - (i) record all incidents of misconduct in a central location and to include sufficient information in JUNO to enable analysis of those incidents;
 - (ii) review incidents of misconduct with a view to determining whether they were indicative of systemic issues within the RAMS Franchise Network;
 - (iii) implement an adequate mechanism to monitor, consider and respond to incidents of misconduct;

- (iv) impose consistent consequences for misconduct, and failing to adequately record consequences imposed for misconduct;
- (v) adequately document the rationale for approving the extension of the term of a Franchise Agreement, having regard to incidents of misconduct in respect of that RAMS Franchise; and
- (vi) identify systemic misconduct issues arising from investigations into misconduct at individual franchises.

Failure to comply with RAMS Conflicts of Interest Responsibilities

74. RFG failed to have in place adequate arrangements to ensure that consumers were not disadvantaged by any conflict of interest that may arise wholly or partly in relation to credit activities undertaken by it, including by virtue of failing to:
- (a) pursuant to cl 8.3.1 of the RAMS Conflict of Interest Policy, ensure that the RAMS Conflicts of Interest Register was completed, despite there being known conflicts of interest that required being managed;
 - (b) prior to Project Guardian, adequately respond to actual conflicts of interest identified in the course of investigations undertaken by SLTF and GI, by virtue of those matters described in paragraph 73 above; and
 - (c) provide RAMS Franchisees and their employees with ongoing, mandatory training on conflicts of interest, in addition to simply providing regular Compliance Newsletters distributed to the RAMS Franchise Network that included reminders of managing conflicts of interest and requiring ACRs to provide an annual attestation confirming that they had read and understood certain policies, including the RAMS Conflict of Interest Policy.

Identification of problems within the RAMS Franchise Network and response

Identification of problems with the RAMS Fairfield Franchise

75. In July 2020, GI produced the first of several reports in which it identified issues arising in relation to the RAMS Fairfield Franchise.
76. In July 2022, RAMS Fraud/Credit Risk began sampling loan applications from the RAMS Fairfield Franchise. As a result of this sampling:
- (a) on 1 August 2022, SLTF began monitoring 100% of new loan applications from the RAMS Fairfield Franchise to substantiate the veracity of the applications prior to credit approval;

- (b) on 30 September 2022, Westpac recommended that RFG terminate the Franchise Agreement and Credit Representative Agreements with the RAMS Fairfield franchisee and principal, given the substantial number of anomalies identified; and
- (c) between October 2022 and December 2022, RFG terminated the Franchise Agreement with the RAMS Fairfield Franchisee and Credit Representative Agreements with ACRs of the RAMS Fairfield Franchise.

Franchisee Oversight Controls Review and Project Guardian

77. In response to the concerns identified with the conduct of the RAMS Fairfield Franchise, Westpac:
- (a) on 5 October 2022, commenced a review into RFG's Franchisee Oversight Controls (**Franchisee Oversight Controls Review**), to assess the effectiveness of the control environment within RAMS, specifically focussed on the oversight of certain franchisee conduct, being conflicts of interest, the use of unaccredited referrers, and the misrepresentation of loan application information; and
 - (b) on 25 November 2022, commenced "Project Guardian", the purpose of which was to investigate and respond to possible misconduct by other franchisees within the RAMS Franchise Network and uplift RAMS controls to ensure that similar issues would be avoided in the future.
78. Project Guardian ran over the course of approximately 22 months at a cost of approximately \$46 million. Project Guardian included monitoring and targeted reviews of all RAMS Franchisees, reviews of historical and new loan applications referred by RAMS Franchisees, the engagement of an external expert to conduct an independent review of the RAMS control environment and the implementation of associated control uplifts. Westpac and RFG committed over 200 employees and external consultants to Project Guardian. In the course of this project:
- (a) RFG enhanced relevant policies, procedures and controls, developed and updated training modules and completed an enhancement of the RFG risk profile and supervision and monitoring framework; and
 - (b) there was an increase in the number of investigations conducted by GI and SLTF into RAMS Franchisees as evidenced in Schedule 1. These investigations were conducted in tandem with RFG's uplift of its policies, procedures and controls, and resulted in the termination of Franchise Agreements with RAMS Franchisees and Credit Representative Agreements with RAMS ACRs.

79. As part of Project Guardian, Westpac also undertook a broad review exercise which involved a review of all loans originated through RFG to identify any loans that required remediation. The process resulted in Westpac remediating 48 customer loans to a value of \$7,567,418.20. In determining whether a loan required remediation, Westpac did not require evidence of any actual misconduct by RAMS Franchisees (that is, customers were remediated even if it could not be established that any financial harm they may have suffered was the result of conduct of RAMS ACRs).
80. The loans requiring remediation represented approximately 0.05% of all loans originated through the RAMS Franchise Network between December 2016 and December 2022. The total remediation value represented 0.025% of the RAMS total portfolio value as at September 2024 and 0.0009% of the Westpac total portfolio value as at September 2024.

Other audits and reviews

81. On 13 December 2022, the Executive Manager, Credit Quality and Regulatory Change at Westpac delivered a report on the findings of the Franchisee Oversight Controls Review to the Managing Director, Mortgages.
82. On 14 April 2023, Westpac's Group Audit team finalised its "RAMS Franchisee Management and Oversight Audit Report" which reported on the findings of its audit.
83. On 15 September 2023, the Westpac Board Risk Committee received a Memorandum reporting to it on Westpac management's analysis of "Root Causes relating to RAMS Matters", in which four root causes were identified as contributing to the deficiencies in RFG, being:
- (a) autonomous business with a unique risk profile;
 - (b) immature risk culture and capability within RFG;
 - (c) deficient control environment and controls testing; and
 - (d) insufficient oversight of a non-standard end-to-end business.

Closing the RAMS business

84. Following commencement of Project Guardian, having regard to the findings of the investigations conducted by GI and SLTF into RAMS Franchisees and their employees (referred to at paragraph 59 above), RFG took appropriate action by terminating Credit Representative Agreements with ACRs who had been the subject of substantiated findings of misconduct.

85. RFG wound down the RAMS Franchise Network in its entirety, effective 6 August 2024, which included the termination of all remaining Franchise Agreements and the termination of the remaining Credit Representative Agreements.

ASIC's investigation

86. Commencing in September 2022, RFG and Westpac reported to ASIC on multiple occasions potential breaches of ss 31(1) and 47 of the Credit Act pursuant to the requirement in s 50B of the Credit Act.
87. ASIC commenced its investigation into the conduct the subject of these reports in mid-2023. RFG has fully cooperated with ASIC in its investigation, and has engaged constructively with ASIC in relation to several voluntary requests for information and documents.

ADMITTED CONTRAVENTIONS OF THE CREDIT ACT

Contraventions of s 31(1) of the Credit Act

88. On each occasion described in Schedule 2, RFG:
- (a) engaged in a credit activity pursuant to its ACL;
 - (b) in the course of engaging in that credit activity, by its ACRs, conducted business with another person, who engaged in credit activity; and
 - (c) in those circumstances contravened s 31(1) of the Credit Act.
89. As described in Schedule 2:
- (a) RFG contravened s 31(1) of the Credit Act in total, during the Relevant Period, on 84 occasions; and
 - (b) the parties seek declarations pursuant to s 166 of the Credit Act and civil penalties pursuant to s 167 of the Credit Act in respect of these contraventions.

Contraventions of s 47 of the Credit Act

90. In the circumstances of paragraph 74 above, RFG:
- (a) failed to have in place adequate arrangements to ensure that RFG's customers were not disadvantaged by any conflict of interest that may arise wholly or partly in relation to credit activities engaged in by RFG or its representatives; and
 - (b) thereby, contravened s 47(1)(b) of the Credit Act.

91. In the circumstances of paragraph 73 above, RFG:
- (a) failed to take reasonable steps to ensure that its representatives complied with the credit legislation; and
 - (b) thereby, contravened s 47(1)(e) of the Credit Act.
92. In the circumstances of paragraphs 88–91 above, RFG:
- (a) failed to do all things necessary to ensure that the credit activities authorised by the RFG ACL were engaged in efficiently, honestly and fairly; and
 - (b) thereby, contravened s 47(1)(a) of the Credit Act.
93. In the circumstances of paragraphs 88–92 above, RFG:
- (a) failed to comply with the credit legislation; and
 - (b) thereby, contravened s 47(1)(d) of the Credit Act.

SCHEDULE 1 – RAMS FRANCHISEE MISCONDUCT

This Schedule, as described in paragraph 61 of the SAFA, summarises the GI Findings in respect of RAMS Franchisee Misconduct in relation to the Relevant Franchises.

Please note, the names of all individuals and corporations/businesses have been anonymised using the format [XX].

The misconduct in respect of:

- RAMS Norwest commences at item 1;
- RAMS Liverpool commences at item 11;
- RAMS Fairfield commences at item 26;
- RAMS Ryde commences at item 38;
- RAMS St George commences at item 49;
- RAMS Sydney CBD commences at item 57;
- RAMS South Melbourne commences at item 63;
- RAMS Inner West commences at item 67;
- RAMS Alphington commences at item 69;
- RAMS Auburn Granville commences at item 73;
- RAMS Melbourne North East commences at item 80; and
- RAMS Marrickville commences at item 81.

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
1.	Other Policy and Procedure Misconduct	December 2018	[JAC] (Loan Writer): a. charged a customer a commission clawback; and	RAMS Behavioural Policy RAMS Referrer Policy	17 June 2020	SLTF 659

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			b. directed payment of those funds into his personal bank account.			
2.	Unaccredited Referrer Misconduct Other Policy and Procedure Misconduct	Between March 2018 to November 2019	<p>[RG] (Franchise Principal):</p> <ul style="list-style-type: none"> a. was complicit with the establishment of proxy referrers knowing them to be employees of a banned referrer company, [CF] Pty Ltd; b. supervised loan writers who accepted loan applications from unaccredited referrers; c. authorised the acceptance of loan applications and payment of loan commissions to unaccredited referrers; d. supervised loan writer, [BB] who accepted loan applications from unaccredited referrers and was complicit in the submission of a 'proxy' accreditation request of an employee of an unaccredited referrer entity; and e. was complicit with former employee ([JAC]) charging a commission clawback; and supervised loan writer, [BB] who distributed RAMS Loan software to unaccredited referrer, [DB] of [TLI]. 	<p>RAMS Behavioural Policy</p> <p>RAMS Referrer Policy</p>	17 June 2020	SLTF 709
3.	Privacy and IT Misconduct	May 2019	[BB] distributed RAMS Loan software to unaccredited referrer, [DB] of [TLI].	RAMS Technology Code of Use Policy	17 June 2020	SLTF 709
4.	Privacy and IT Misconduct	4 July 2019	[DC] (Loan Writer) distributed software, administered by third party suppliers to an ex-RAMS Norwest employee and an unaccredited referrer entity.	RAMS Technology Code Of Use Policy	17 June 2020	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
5.	Unaccredited Referrer Misconduct	Between July 2018 and November 2019.	[DC] (Loan Writer) accepted a loan application from unaccredited referrer: a. [JF] of [MWM] (MWMS) Pty Ltd on one occasion between October 2019 and November 2019; b. [LS] of [IF] Pty Ltd on one occasion between 2018 and July 2019.	RAMS Behavioural Policy RAMS Referrer Policy	17 June 2020	N/A
6.	Unaccredited Referrer Misconduct	Between December 2017 and June 2019	[MJ] (Loan Writer) accepted loan applications from unaccredited referrer: a. [LL(A)W] on 15 occasions between December 2017 and April 2018; and b. [JH] of [AWS] on four occasions between March 2019 and May 2019.	RAMS Referrer Policy	17 June 2020	N/A
7.	Privacy and IT Misconduct	Between February 2019 and 9 May 2019.	[MJ] (Loan Writer) distributed the RAMS Loan Servicing Calculator software to over one hundred individual email addresses of person/s not employed by the RAMS Financial Group Pty Ltd including to a Director of [CF].	RAMS Technology Code Of Use Policy	17 June 2020	N/A
8.	Unaccredited Referrer Misconduct	Between July 2019 and September 2019	[JA] (Loan Writer) accepted loan applications from an unaccredited referrer individual, [MJ] of [RM] Pty Ltd on five occasions.	RAMS Referrer Policy	17 June 2020	N/A
9.	Unaccredited Referrer Misconduct Other Policy and Procedure Misconduct	Between May 2018 and July 2019.	1. [BB] (Loan Writer) as the Loan Manager, under his supervision of employee [JC] and [DM] established the following proxy referrers between May 2018 and April 2019: a. '[HL]', knowing him to be an employee of banned referrer company [CF] Pty Ltd; and b. [J(A)W], knowing him to be an employee of banned referrer company [CF] Pty Ltd.	RAMS Referrer Policy RAMS Compliance Policy RAMS Behavioural Policy	17 June 2020	SLTF 703

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			<p>2. [BB] (Loan Writer) as the Loan Manager accepted loan applications from unaccredited referrer:</p> <ul style="list-style-type: none"> a. [IY] of [CF] Pty Ltd on three occasions between July 2018 and July 2019; b. [KL] of [CF] Pty Ltd on seven occasions between August 2018 and March 2019; c. [S] or [S] of [CF] Pty Ltd on one occasion between 20 July 2018 and 16 August 2018; d. [J(A)[W] of [CF] Pty Ltd on one occasion between 12 September 2018 and 29 October 2018; e. [H(V)L] of [CF] Pty Ltd on three occasions between February 2019 and May 2019; f. [L] of [CF] Pty Ltd on two occasions on or around 17 June 2019; g. [YL(J)Z] on five occasions between July 2018 and June 2019; h. [DB] of [TLI] on 7 occasions between May 2018 and June 2019; i. [SR] of [YBRWM] on two occasions in July 2018; j. [JC] of [YBRWM] on one occasion in August 2018; and k. [VV] of [HF] on two occasions between May 2018 and June 2019. 			
10.	Unaccredited Referrer Misconduct	Between December 2017 and October 2019	<p>[DM] (Loan Writer) accepted loan applications from unaccredited referrer:</p> <ul style="list-style-type: none"> a. [SR] of [YBRWM] on eight occasions between April 2018 and June 2019; and b. [JF] of [MWMS] Pty Ltd on one occasion between March 2019 and October 2019. 	RAMS Referrer Policy	17 June 2020	SLTF 729

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
11.	Unaccredited Referrer Misconduct	Between February 2018 and March 2018.	[EL] (Loan Writer) accepted loan applications from: a. unaccredited refer entity/individual, [AWR] on four occasions between 3 February 2018 and 13 March 2018; and b. unaccredited referrer individual, [RI] on two occasions in March 2018.	RAMS Referrer Policy	27 September 2019 24 October 2019	SLTF 610 SLTF 1050
12.	Other policy and procedure misconduct	October 2021	On or around 21 October 2021, [EL] (Loan Writer), failed to take reasonable steps to ensure that the customer was not entering into an unsuitable credit contract in circumstances where, when assessing the customer's understanding of the English language as being adequate, the loan writer did not engage or offer the use of an interpreter.	RAMS Compliance Policy RAMS Behavioural and Ethical Standards Policy	14 June 2023 21 June 2023	SLTF 1050
13.	Unaccredited Referrer Misconduct	Between January 2018 to May 2018.	[SA] (Loan Writer) accepted loan applications/supporting documentation from the unaccredited refer entity/individual: a. [RK], on seven occasions between 18 January 2018 and 18 March 2018; [HG] Pty Ltd; b. [DG], on two occasions between 28 February 2018 and 8 March 2018; and c. [KX], on two occasions between 12 March 2018 and 9 May 2018.	RAMS Referrer Policy	30 September 2019 24 October 2019	SLTF 518 SLTF 610
14.	False Documentation Misconduct	28 February 2018	[SA] (Loan Writer) manipulated the serviceability outcome of a home loan application by changing and not recording correctly the liabilities and living expenses amounts.	RAMS Behavioural Policy	30 September 2019 24 October 2019	SLTF 518 SLTF 610
15.	Privacy and IT Misconduct	Between January 2018 to December 2018	[SA] (Loan Writer) used an email system that was not authorised for business by, on at least 24 occasions between January 2018 and December 2018, receiving home loan applications and supporting documents to their personal email addresses prior to forwarding the	RAMS Technology Code Of Use Policy	30 September 2019 24 October 2019	SLTF 518 SLTF 610

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			documents to their work email address on at least 24 occasions.			
16.	Unaccredited Referrer Misconduct	Between March 2018 to June 2021	<p>[TNDT] (Loan Writer) accepted loan applications/documentation from the unaccredited referrer entity/individual:</p> <ol style="list-style-type: none"> [X(P)PP] on two occasions between 20 March 2018 and 27 March 2018; [JK] on one occasion on 21 March 2018; [JN] (also known as [VP] or [YT]) on three occasions between 23 March 2018 and 2 May 2018; and [H(E)B], and [NN], of [313 F] on one occasion on or around 21 June 2021. 	RAMS Referrer Policy	<p>24 October 2019 30 September 2019 13 June 2023 21 June 2023</p>	SLTF 610
17.	Privacy and IT misconduct	Between March 2018 and October 2021	<p>[TNDT] (Loan Writer):</p> <ol style="list-style-type: none"> On three occasions between March 2018 and June 2018, emailed commercially sensitive documents marked 'For Internal Use Only' to external third parties outside of the RAMS network; On four occasions in March 2018, emailed and requested that third parties complete the RAMS Customer Needs Review (CNR) forms with customers; and On at least 20 occasions between March and August 2018, and on one occasion on or around 30 October 2021, used an email system that was not authorised for business by receiving loan supporting documents to their personal email address prior to forwarding to their work email address. 	<p>RAMS Technology Code Of Use Policy</p> <p>RAMS Behavioural Policy</p>	<p>24 October 2019 21 June 2023 30 September 2019 13 June 2023</p>	SLTF 610
18.	Other Policy and Procedure misconduct	December 2022	[TNDT] (Loan Writer), on or around 5 December 2022, did not report that they were aware that another RAMS Liverpool employee was using an unauthorised personal email account in their business dealings.	RAMS Behavioural Policy dated 11 October 2022 .	13 June 2023	SLTF 610

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
19.	Privacy and IT Misconduct	December 2022	[TYK(W)B] (Loan Writer), on or around 5 December 2022, used an unauthorised personal email address in her communications relating to a customer's loan application.	RAMS Technology Code Of Use Policy RAMS Behavioural Policy	21 June 2023	N/A
20.	Privacy and IT Misconduct	Not stated	[YS(D)L] (Loan Writer) used an unauthorised personal email address to receive personal customer information.	RAMS Technology Code Of Use Policy RAMS Behavioural Policy	21 June 2023	N/A
21.	Privacy and IT Misconduct	Between June 2022 and December 2022	[LI] (Franchise Principal): a. used an unauthorised personal email address on three occasions in his communications relating to loan applications, between on or around 20 June 2022 and 28 October 2022; and b. failed to ensure his staff, [TYK(W)B], [TNDT] and [YS(D)L], complied with all policies.	RAMS Technology Code Of Use Policy RAMS Franchise Agreement	21 June 2023	N/A
22.	Conflict of Interest Misconduct	January 2021	[LI] (Franchise Principal): a. did not declare that he was the principal of real estate business, [OA]; and b. as a result of the comingling of these businesses, actual conflicts were permitted to occur, including [OA] staff using the RAMS Liverpool address in the conduct of their business and on their email signature, RAMS Liverpool staff operating [OA] email addresses and [OA] staff providing rental valuations for RAMS Liverpool staff to include as supporting documentation in RAMS loan applications.	RAMS Conflicts Policy RAMS Franchise Agreement RAMS Behavioural Policy	21 June 2023	SLTF 666
23.	Unaccredited Referrer Misconduct	Between January 2018 and May 2018	Under the supervision of [LI] (Franchise Principal), the following people breached the RAMS Referrer Policy by accepting loan applications from unaccredited referrer entities/individuals: <ul style="list-style-type: none"> Loan writer, [EL] between February 2018 and April 2018; 	RAMS Referrer Policy	24 October 2019	SLTF 666

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			<ul style="list-style-type: none"> Loan writer, [TNDT] between March 2018 and May 2018; and Loan writer, [SA] between January 2018 and March 2018. 			
24.	Privacy and IT Misconduct	Between January 2018 and December 2018	<p>Under the supervision of [LI] (Franchise Principal) the following people breached the RAMS Technology Code of Use Policy:</p> <ul style="list-style-type: none"> loan writer [TNDT] for emailing commercially sensitive documents marked 'For Internal use Only' to external third parties outside the RAMS network, and using an email system that was not authorised for business between March 2018 and August 2018; and loan writer [SA] for using an email system that was not authorised for business between January 2018 and December 2018. 	RAMS Technology Code Of Use Policy	24 October 2019	SLTF 666
25.	False Documentation Misconduct	28 February 2018	Under the supervision of [LI] (Franchise Principal), [SA], loan writer, breached their Representative Agreement, by manipulating the serviceability outcome of a home loan application by changing and not recording correctly the liabilities and living expenses amounts.		24 October 2019	
26.	Conflict of Interest Misconduct Other Policy and Procedure Misconduct	Between April 2016 and April 2021	<p>[DL] (Franchise Principal) maintained an active role in the management of the company, [IPS] ('IPS') Pty Ltd, for his personal benefit.</p> <p>Specifically, while acting as a RAMS Franchise Principal, he was listed as the sole signatory on the bank accounts of IPS which referred 163 loan applications and a total of \$590,946.20 in commissions. \$277,750.00 of these commissions were transferred to his personal bank account.</p>	<p>RAMS Behavioural Policy</p> <p>RAMS Disclosure Code</p>	<p>29 July 2020</p> <p>24 November 2020</p> <p>20 May 2021</p>	SLTF 790

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
27.	Conflict of Interest Misconduct	Between May 2019 and June 2019.	<p>[WT] (Loan Manager) misused her position of trust and provided a financial advantage to herself by:</p> <ul style="list-style-type: none"> a. funding a loan deposit for a RAMS Fairfield customer using her personal funds, to ensure the approval and settlement of that loan; and b. receiving a reimbursement payment for the loan deposit from RAMS Fairfield customers, which payment included an additional amount for her personal gain. 	<p>Westpac Group – Anti-Bribery and Corruption Policy and Standard</p> <p>RAMS Behavioural Policy</p> <p>RAMS Conflicts Policy</p> <p>RAMS Compliance Policy</p>	21 July 2020	SLTF 772
28.	Unaccredited Referrer Misconduct	Between July 2019 and July 2019	<p>[WT] (Loan Manager):</p> <ul style="list-style-type: none"> a. accepted loan referrals from unaccredited referrer individual, [JB] of [CMG] Pty Ltd on one occasion on or around 22 July 2019; and b. accepted loan referrals from unaccredited referrer individual, [JF], Mortgage Broker of [ILA] on one occasion on or around 7 July 2019. 	RAMS Referrer Policy	21 July 2020	SLTF 772
29.	Transfer of funds misconduct Other Policy and Procedure Misconduct	Between June 2019 and June 2019	[WT] (Loan Manager) was complicit with the payment of customer loan arrears payments by RAMS Fairfield Business Manager, [NV], in order to facilitate the continued receipt of loan commissions by RAMS Fairfield Franchise which resulted in financial disadvantage to the Westpac Banking Corporation.	<p>Westpac Group – Anti-Bribery and Corruption Policy and Standard</p> <p>RAMS Behavioural Policy</p> <p>RAMS Compliance Policy</p> <p>RAMS Conflicts Policy</p>	21 July 2020	SLTF 772
30.	Privacy and IT Misconduct	Between April 2019 and December 2019	[WT] (Loan Manager) breached customer confidentiality by using an unauthorized personal Yahoo email account to store and distribute confidential customer identification and documentation.	RAMS Technology Code Of Use Policy	21 July 2020 29 July 2020	SLTF 772

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
31.	Other Policy and Procedure Misconduct Conflict of interest misconduct	Between July 2017 and June 2019	[ST] (Loan Writer): a. was complicit in the referral of RAMS customers to St. George lender, [DS], in or about the period 31 May 2019 to 13 June 2019; and b. was complicit in the submission of RAMS customer loans with the knowledge that the loans were for the purpose of purchasing a property from Franchise Principal, [DL] on two occasions in or around the period 6 July 2017 to 19 July 2018.	Westpac Group – Anti-Bribery and Corruption Policy and Standard RAMS Behavioural Policy RAMS Compliance Policy RAMS Conflicts Policy	29 July 2020	SLTF 790 SLTF 814
32.	Unaccredited Referrer Misconduct	Between November 2018 and July 2019; and	[JA] (Loan Writer) accepted loan referrals from unaccredited referrer, [LSW] Pty Ltd on eight occasions between 14 November 2018 and 26 July 2019.	RAMS Referrer Policy RAMS Behavioural Policy	29 July 2020 20 May 2021	SLTF 816
33.	Other Policy and Procedure Misconduct Conflict of Interest Misconduct	March 2018	On or around 16 March 2018, [T(E)V] (Loan Writer) was complicit in the submission of loan application for Franchise Principal, [DL], knowing the loan was for the purpose of purchasing a property from a RAMS Fairfield customer.	Westpac Group – Anti-Bribery and Corruption Policy and Standard RAMS Compliance Policy RAMS Conflicts Policy	29 July 2020	SLTF 817 SLTF 790
34.	Privacy and IT Misconduct	Between February 2019 and February 2020	[T(E)V] (Loan Writer) used a personal Gmail email account to send and receive confidential customer data and documentation.	RAMS Technology Code Of Use Policy	30 September 2021	SLTF 817
35.	Other Policy and procedure Misconduct	Not stated	[HC] (Customer Relationship Manager) was complicit in the manufacture of a nongenuine Contract of Sale (COS) and ordering valuations without having a genuine customer transaction.	RAMS Conflicts Policy RAMS Behavioural Policy	29 July 2020	SLTF 790 SLTF 812

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
	False Documentation Misconduct			Westpac Group – Anti-Bribery and Corruption Policy and Standard RAMS Compliance Policy		
36.	Transfer of Funds Misconduct	Between June 2019 and September 2019	[NV] (Customer Relationship Manager) was found to have paid customer loan arrears balances by making a payment transfer from her personal bank account to the customer account.	RAMS Behavioural Policy	1 September 2021	SLTF 819
37.	Privacy and IT Misconduct	Between January 2020 and February 2020	[DM] (Lending Manager) used his personal Google Mail email account to send and receive confidential customer data and documentation, along with RAMS software and documentation.	RAMS Technology Code Of Use Policy	15 September 2021	SLTF 813
38.	Conflict of Interest Misconduct	Between October 2019 and November 2021	[JX] (Loan Writer) received a total of 11 payments without disclosing a conflict of interest as follows: <ul style="list-style-type: none"> a. between 10 October 2019 and 31 January 2021 from banned referrer, [TG] for a total sum of \$19,000; b. on or around 3 December 2021 from accredited referrer, [IN] in the sum of \$34,000; and c. between 9 July 2020 and 2 November 2021 from loan writer, [RP] for a total sum of \$49,800. 	RAMS Conflicts Policy	4 August 2022	SLTF 966
39.	Conflict of Interest Misconduct Transfer of Funds Misconduct	May 2021	[JX] (Loan Writer) made a payment of \$660 to a customer for the purpose of covering the customer's settlement and the first year of the annual package fee.	RAMS Behavioural Policy RAMS Conflicts Policy	4 August 2022	SLTF 966
40.	Unaccredited Referrer Misconduct	Between February 2021 and	[JX] (Loan Writer): <ul style="list-style-type: none"> a. Accepted loan referrals from banned referrer, [P(T)G] on six occasions 	RAMS Referrer Policy	4 August 2022	SLTF 966

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
	False Documentation Misconduct	September 2021	<p>between February 2021 and September 2021;</p> <p>b. on six occasions, coded loan applications to [AHRDG] Pty Ltd (AY) instead of the true referrer, [P(T)G]; and</p> <p>c. on two occasions, coded two loan applications to [RTG] (GW) instead of the true referrer, [P(T)G].</p>	RAMS Behavioural Policy		
41.	False Documentation Misconduct	July 2021	[JX] (Loan Writer) represented that his own home loan application was for an investment property when in fact the loan writer had signed a declaration showing that the intended purpose of the property was to be owner-occupied.	<p>RAMS Behavioural Policy</p> <p>RAMS Lending Guidelines</p>	4 August 2022	SLTF 966
42.	Other Policy and Procedure Misconduct	Between December 2020 and June 2021	[JX] (Loan Writer) did not complete three mandatory training modules within the required time frame.	RAMS Compliance Policy	4 August 2022	SLTF 966
43.	Privacy and IT Misconduct	In January 2021 and October 2021	<p>[JX] (Loan Writer):</p> <p>a. shared his username and password with a third party on one occasion on 21 January 2021; and</p> <p>b. received sensitive information on or around 1 October 2021 in relation to a customer from the personal email address of a St George lender in relation to a loan application.</p>	<p>RAMS Behavioural Policy</p> <p>RAMS Technology Code Of Use Policy</p> <p>RAMS Privacy Guidelines</p> <p>Westpac Group Privacy Policy</p>	4 August 2022	SLTF 966
44.	<p>Unaccredited Referrer Misconduct</p> <p>False documentation</p>	Between November 2020 and June 2021	<p>[RP] (Loan Writer):</p> <p>a. accepted referrals from banned referrer [P(T)G] on two occasions on or around 9 January 2021 and 28 June 2021;</p> <p>b. on two occasions between November 2020 and June 2021, coded two applications to another referrer, and not the true referrer source, [P(T)G]; and</p> <p>c. on three occasions on or around 7 April 2021 and 13 May 2021, coded three loan applications to another referrer,</p>	<p>RAMS Referrer Policy</p> <p>RAMS Behavioural Policy</p>	4 August 2022	SLTF 966

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			and not the true referrer source, [Y(W)H].			
45.	Transfer of Funds Misconduct	Between July 2020 and November 2021	[RP] (Loan Writer) made six payments between 9 July 2020 and 2 November 2021 for a total sum of \$49,800 to another loan writer without disclosing a conflict of interest.	RAMS Behavioural Policy RAMS Conflicts Policy	4 August 2022	SLTF 966
46.	Privacy and IT Misconduct	January 2021	[RP] (Loan Writer) shared his username and password for the Kaplan programs and the Dita programs with a Business Manager from the RAMS Ryde Franchise.	RAMS Behavioural Policy RAMS Technology Code Of Use Policy	4 August 2022	SLTF 966
47.	Other Policy and Procedure Misconduct	Between May 2021 and December 2021 October 2022	[RP] (Loan Writer): a. on five occasions between 14 May 2021 and 10 December 2021, did not complete mandatory training modules within the required period; and b. relied on private tenancy agreements to support rental income in a loan application submitted on 6 October 2022 in circumstances where investment properties are not reflected in the customer personal tax returns.	RAMS Compliance Policy RAMS Franchise Sales Procedure	4 August 2022 7 February 2023	SLTF 966
48.	Other Policy and Procedure Misconduct	30 September 2022	[TW] (Franchise Principal) permitted loan writer, [RP], whilst under her supervision on or around 30 September 2022 to rely on private tenancy agreements to support rental income in a loan application in circumstances where investment properties were not reflected in the customer personal tax returns.	RAMS Behavioural Policy RAMS Franchise Sales Procedure	7 February 2023	N/A
49.	Other Policy and Procedure Misconduct	Between February 2016 and October 2018	[MMRC] (Loan Manager) made untrue, misleading or deceptive statements: a. on 23 February 2016, in relation to the RAMS Franchise Employee Details Form and the RAMS attestation Record Sheet 2018; and b. on or around 12 March 2017 and on or around 4 October 2018, in relation to his personal loan applications.	Credit Representative Agreement	19 May 2020	SLTF 628

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
50.	Unaccredited Referrer Misconduct	Between March 2018 and November 2018	[MMRC] (Loan Manager) accepted loan applications from an unaccredited referrer, [BZ] of [NC], and paid the referrer commission fees from his personal business account, '[A] Accounting and Finance' on two occasions on 22 March 2018 and 22 November 2018	Westpac Group – Anti Bribery and Corruption Standard RAMS Referrer Policy RAMS Behavioural Policy	19 May 2020	N/A
51.	False documentation misconduct	March 2018	[MMRC] (Loan Manager), on or around 1 March 2018, failed to comply with the reporting obligations of Unusual/Suspicious Matter Reporting following the receipt of suspicious customer employee pay advices.	RAMS Customer Identification Policy	19 May 2020	SLTF 628
52.	Privacy and IT Misconduct	Between January 2018 and December 2018	[MMRC] (Loan Manager) between on or around 20 January 2018 and 7 December 2018, used an unauthorised personal email system to store and distribute confidential customer identification and documentation.	RAMS Technology Code Of Use Policy	19 May 2020	SLTF 628
53.	Other Policy and Procedure Misconduct	Between January 2018 and November 2018	[ED] (Loan Writer) accepted false certified copies of customer identification from third party referrer: <ul style="list-style-type: none"> a. [SA] of [TEHL] on four occasions between 22 January 2018 and 12 November 2018; b. [LS] of [YLZ] on three occasions between 8 March 2018 and 17 May 2018; c. [VF] of [FHL] on one occasion on 16 May 2018; and d. Justice of Peace [BL], on one occasion between 18 September 2018 and 24 September 2018 in respect of customers who were not determined to be 'remote' customers from the RAMS St George franchise.	RAMS Identification Procedure RAMS Customer Identification Policy	May 2020	SLTF 628
54.	Unaccredited referrer misconduct	Between January 2018 and August 2018	[FA] (Franchise Principal) accepted loan referrals and authorised referral payments to unaccredited referrers from: <ul style="list-style-type: none"> a. [TRL] on 12 March 2018; 	RAMS Referrer Policy	5 May 2020	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			b. [TTW] on or around 20 August 2018; and c. [TTW] on 24 August 2018.			
55.	Privacy and IT Misconduct	June 2018	[FA] (Franchise Principal) distributed his Rams Operating System (ROS) password to his brother; [SA] of [TEHL] on 30 June 2018.	RAMS Technology Policy	5 May 2020	SLTF 101296
56.	Other Policy and Procedure Misconduct Conflict of Interest Misconduct	Between March 2018 and August 2018	[FA] (Franchise Principal) referred potential or existing RAMS customers to [LS], Senior Loan Consultant of [YLZ] Pty Ltd (a company of which his wife was sole director, and he was an authorised credit representative) on four occasions between 12 March 2018 and 14 August 2018.	Franchise Agreement	5 May 2020	SLTF 101296
57.	Unaccredited referrer misconduct	January 2018	[GM] (Franchise Principal) authorised the acceptance of loan applications and documentation from an unaccredited referrer.	RAMS Referrer Policy RAMS Behavioural Policy	1 May 2020	N/A
58.	Privacy and IT Misconduct	Between November 2017 and July 2018	Under the supervision of [GM] (Franchise Principal), [DP] distributed RAMS Loan Software to employees of another entity which was an unaccredited referrer entity, MPII].	RAMS Technology Code Of Use Policy	1 May 2020	N/A
59.	Other Policy and Procedure Misconduct	In December 2017 and March 2018	[GM] (Franchise Principal) authorised the referral of consumers who had approached the Franchise for a loan application and lending capacity assessment, to a 'broker' from [AF] Pty Ltd (a company also controlled by [M]) who operated under the [AF] licence but was not an authorised credit representative, to process the loan application.	RAMS Behavioural Policy	1 May 2020	N/A
60.	Unaccredited referrer Misconduct	Between January 2018 and July 2018	[DP] (Loan Writer) accepted loan applications from unaccredited referrer entity/ individuals: a. [NJYL] on three occasions between 17 January 2018 and 15 February 2018; b. [LL] of [IPSP] on three occasions between 1 March 2018 and 2 July 2018;	RAMS Referrer Policy	1 May 2020	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			<ul style="list-style-type: none"> c. [SJ] of [MPII] on four occasions between 26 February 2018 and 26 June 2018; d. [AH] of [MPII] on one occasion on 18 January 2018; e. [WH] of [PCG] Pty Ltd on eight occasions between 15 January 2018 and 14 May 2018; f. [EL] of [PCG] Pty Ltd on two occasions between 13 February 2018 and 6 March 2018; and g. [ES] of [PCG] Pty Ltd on one occasion 11 April 2018. 			
61.	Privacy and IT Misconduct	Between November 2017 and July 2018	[DP] (Loan Writer) distributed RAMS Loan software to employee/s of [MPII].	RAMS Technology Code Of Use Policy	1 May 2020	N/A
62.	Privacy and IT Misconduct	Between November 2017 and January 2018	[MO'M] (RAMS Sydney CBD Business Manager) shared the Franchise Equifax password on two occasions between 24 November 2017 and 16 January 2018.	RAMS Technology Code Of Use Policy	1 May 2020	N/A
63.	Unaccredited Referrer Misconduct	Between March 2018 and April 2019	[SRABS] (also known as [AS]) (Loan Writer) accepted loan supporting documentation from an unaccredited referrer, [TQ(T)N].	RAMS Referrer Policy	17 August 2019	SLTF 658
64.	Privacy and IT Misconduct	Between April 2018 and November 2018	<p>[SRABS] (also known as [AS]) (Loan Writer):</p> <ul style="list-style-type: none"> a. between 8 May 2018 and 14 May 2018, emailed confidential customer information and documentation to unaccredited referrer, [TN]; b. between 27 April 2018 and 3 May 2018, emailed customer information and documentation from his personal email account; c. on 13 November 2018, used and shared the ANZ toolkit log on details of a RAMS Franchise Principle, with another RAMS colleague. 	<p>RAMS Technology Code Of Use Policy</p> <p>RAMS Referrer Policy</p>	17 August 2019	SLTF 658

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
65.	False Documentation	Between March 2018 and April 2019	[SRABS] (also known as [AS]) (Loan Writer) coded loans to an accredited referrer instead of the true unaccredited referrer, [TN].	RAMS Referrer Policy	17 August 2019	SLTF 658
66.	Other Policy and Procedure Misconduct	Between July 2017 and September 2018	[SRABS] (also known as [AS]) (Loan Writer) provided false and misleading information on his "Franchise Employee Attestation Form" in relation to questions regarding past history of potential fraud and misconduct.	Credit Representative Agreement	17 August 2019	SLTF 658
67.	Conflict of Interest Misconduct	Between 2017 and August 2022	<p>[FA] (Franchise Principal):</p> <ul style="list-style-type: none"> a. on or around 19 November 2021, used [GZ], a former RAMS Inner West Loan Writer, to write his loan; b. since in or about 2017, failed to declare a Conflict of Interest with RAMS accredited referrer, [EHL], operated by his brother [SA]; and c. on or around 2 May 2022, 9 May 2022 and 11 August 2022, requested MSA to delay customer refinance settlements in order to ensure [EHL] were not subject to commission clawback. 	<p>RAMS Conflicts Policy</p> <p>RAMS Behavioural Policy</p>	26 May 2023	SLTF 628
68.	Privacy and IT Misconduct	Between January 2022 and November 2022	<p>[FA] (Franchise Principal):</p> <ul style="list-style-type: none"> a. on or around 6 April 2022, forwarded internal RAMS Credit decisioning to a third-party referrer; b. on or around 12 May 2022, forwarded internal RAMS Credit contact details to a third-party referrer; c. on or around 15 June 2022 and 25 October 2022, forwarded internal correspondence detailing customer information, including RAMS credit decisions to Third Party Referrers; and d. between on or around 6 January 2022 and 9 November 2022, sent confidential customer information to an email address connected with [YLZ] and allowed his staff, on around 27 occasions, to use third-party email 	<p>RAMS Behavioural Policy</p> <p>RAMS Technology Code Of Use Policy</p> <p>RAMS Privacy Guidelines</p>	26 May 2023	SLTF 628

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			accounts to deal in RAMS business records.			
69.	Unaccredited Referrer Misconduct	Between October 2019 and November 2021	Under the supervision of [SM] (Principal): a. loan writer, [BG-M] accepted loan applications from unaccredited referrer [J-AP] of [TF] Pty Ltd; and b. loan writer, [AG-M] accepted loan applications from unaccredited referrer [AC] (also known as [AC]) of [TEA] and [J-AP] of [TF] Pty Ltd.	The RAMS Referrer Policy	25 March 2022	STLF 957
70.	Unaccredited Referrer Misconduct	Between April 2021 and September 2021	[BG-M] (Loan Writer) accepted referrals from unaccredited referrer [J-AP] of [TF] Pty Ltd on 13 occasions between 12 April 2021 and 20 September 2021.	RAMS Referrer Policy RAMS Behavioural Policy Credit Representative Agreement	29 March 2022	STLF 957
71.	Unaccredited Referrer Misconduct	Between October 2019 and October 2021	[AG-M] (Loan Writer) accepted referrals from unaccredited referrer [AC] (also known as [AC]) of [TEA] on 38 occasions between 10 October 2019 and 29 October 2021.	RAMS Referrer Policy RAMS Behavioural Policy Credit Representative Agreement	29 March 2022	STLF 957
72.	Unaccredited Referrer Misconduct	Between April 2021 and November 2021	[AG-M] (Loan Writer): a. accepted referrals from unaccredited referrer [J-AP] of [TF] Pty Ltd on 11 occasions between April 2021 and November 2021; and b. coded those loan applications to [HS] instead of the true referrer, [J-AP] of [TF] Pty Ltd.	RAMS Referrer Policy RAMS Behavioural Policy Credit Representative Agreement	29 March 2022	STLF 957
73.	Other Policy and Procedure Misconduct	Between January 2021 and April 2023	1. [ZS] (Franchise Principal): a. On or around 27 July 2022, failed to ensure the loan's supporting	RAMS Lending Guidelines RAMS Behavioural Policy	18 August 2023	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
	Privacy and IT Misconduct		<p>accountant letter met the minimum standards in relation to a loan application; and</p> <p>b. Between in or about February 2023 to 19 April 2023, did not provide sufficient training to loan writing staff to enable them to properly undertake their roles as loan writers.</p> <p>2. Between January 2021 and March 2023, certain loan writers of RAMS Auburn Granville, which was operated and controlled by [ZS] (Franchise Principal):</p> <p>a. accepted accountant letters in loan applications which did not meet minimum standards;</p> <p>b. failed to detect document anomalies in loan supporting documentation;</p> <p>c. submitted five loan applications without first conducting a 'Customer Needs' conversation; and</p> <p>d. used a personal email account to receive confidential customer data.</p>	RAMS Technology Code Of Use Policy		
74.	Privacy and IT Misconduct	Between January 2022 and January 2023	<p>3. [ZS] (Franchise Principal):</p> <p>a. on or around 16 February 2022, used a personal Gmail account to receive confidential customer data/documentation that he remitted from his RAMS email account, including customer names, addresses, loans and loan submission dates; and between in or about January 2022 and January 2023, used a personal Gmail account on four occasions to receive RAMS intellectual property remitted from his RAM's email account.</p>	<p>RAMS Behavioural Policy</p> <p>RAMS Technology Code Of Use Policy</p>	18 August 2023	N/A
75.	Other Policy and Procedure Misconduct.	Between September	1. [Y(JJ)] (Loan Writer) between September 2022 and March 2023:	RAMS Behavioural Policy	18 August 2023	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
		2022 and March 2023	<ul style="list-style-type: none"> a. failed to identify multiple anomalies in loan supporting documentations for four loans at a level expected of a prudent loan writer; b. did not conduct a 'Customer Needs' conversation prior to submitting three loan applications; and c. accepted accountant letters which did not meet the minimum standards for three loans 	RAMS Lending Guidelines		
76.	Other Policy and Procedure Misconduct	Between December 2022 and January 2023	<p>[Q(N)Q] (Loan Writer) between 13 December 2022 and 17 January 2023:</p> <ul style="list-style-type: none"> a. submitted a loan application without obtaining documents which supported the residency status of the applicant; b. accepted an accountant letter in support of a loan application which did not meet the minimum standards of the RAMS Lending Guidelines and omitted the number of dependants; and c. failed to identify multiple instances of document anomalies in a loan application's supporting documentation. 	<p>RAMS Lending Guidelines</p> <p>RAMS Behavioural Policy</p>	18 August 2023	N/A
77.	False Documentation Misconduct	February 2023	In or about February 2023, [Q(N)Q] (Loan Writer) altered the expenses in a loan application to enable the loan to meet serviceability.	<p>RAMS Lending Guidelines</p> <p>RAMS Behavioural Policy</p>	18 August 2023	N/A
78.	Other Policy and Procedure Misconduct	September 2022 and October 2022	<p>[MW] (Loan Writer) between September 2022 and October 2022:</p> <ul style="list-style-type: none"> a. failed to identify anomalies in loan support documentation for a loan at a level expected of a prudent loan writer; and 	<p>RAMS Lending Guidelines</p> <p>RAMS Behavioural Policy</p>	18 August 2023	N/A

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
			b. did not conduct a 'Customer Needs' conversation prior to submitting two loan applications.			
79.	Privacy and IT Misconduct	Between March 2022 and June 2022	[MW] (Loan Writer) used a personal email account to receive RAMS confidential customer data/documentation on or around on five occasions between 1 March 2022 and 9 June 2022.	RAMS Technology Code Of Use Policy RAMS Behavioural Policy	18 August 2023	N/A
80.	Other Policy and Procedures misconduct Privacy and IT Misconduct	Between August 2018 and February 2019	[KCE] (Mobile Home Loan Manager) used an unauthorised personal Gmail email account system on 85 occasions between 2 August 2018 and 28 February 2019 to store and distribute confidential customer identification and documentation.	RAMS Behavioural Policy RAMS Technology Code Of Use Policy	7 May 2020	SLTF 712
81.	Conflict of Interest Misconduct	Between May 2021 and October 2021	[CE] (Franchise Principal) failed to declare a Conflict of Interest between [CEPVC] for whom he was a sole trader. Invoices totalling \$242,000 were charged to [101 M] Pty Ltd trading as [RAMSHLCM] between May and October 2021 from [CEPVC].	RAMS Conflicts Policy	24 May 2023	SLTF 994
82.	Privacy and IT Misconduct	Between March 2021 and March 2022	[CE] (Franchise Principal) failed to: a. adhere to password management techniques; and b. ensure that a RAMS Marrickville Business Manager did not share RAMS technology usernames and passwords or store RAMS employees username and passwords.	RAMS Technology Code Of Use Policy RAMS Operations Manual	24 May 2023	SLTF 994
83.	Unaccredited Refer Misconduct False documentation	April 2022	On or around 21 April 2022, [CE] (Franchise Principal) coded a loan application another referrer, instead of the true referrer, unaccredited referrer [JA].	RAMS Referrer Policy	24 May 2023	SLTF 994
84.	Privacy and IT Misconduct	Between January 2021	Under the supervision of [CE] (Franchise Principal), [Y(A)W] (Loan Writer) used a personal Gmail account to remit and receive	RAMS Behavioural Policy	24 May 2023	SLTF 994

#	A. Misconduct Type	B. Date(s) of Misconduct	C. Misconduct	D. Policies Breached	E. Date of GI Report	F. Related SLTF Report
	Other Policy and Procedures misconduct	and February 2023	RAMS confidential customer data/documentation, including Individual Tax Returns, application documents, valuations and settlement documents, statements, accountant letters, contracts, rental statements, and ID documents.	RAMS Operations Manual		
85.	Unaccredited Referrer Misconduct Other Policy and Procedures misconduct	Between January 2021 and February 2023	<p>Under the supervision of [CE] (Franchise Principal), [Y(A)W] (Loan Writer):</p> <ul style="list-style-type: none"> a. on 36 occasions forwarded loan documentation including but not limited to loan applications, ID documents and income documentation to an email address associated with an unaccredited external referrer, [LW]; and b. on 9 occasions received loan documentation including but not limited to loan applications, ID documents and income documentation, from an email address associated with unaccredited referrer, [LW]. 	RAMS Behavioural Policy	24 May 2023	SLTF 994

Schedule 2 – Contraventions of s31(1) of the Credit Act

A. Item Number of Schedule 1	B. RAMS Franchise	C. Name of RAMS Individual	D. Identity of Unlicensed Unaccredited Referrer	E. Number of Contraventions of s31(1) of the Credit Act
5	Norwest	[DC] (Loan Writer)	[LS], (Finance Executive) of [IF] Pty Ltd	1
6	Norwest	[MJ] (Loan Writer)	[JH]	2
9	Norwest	[BB] (Loan Writer)	[YL(J)Z]	1
16	Liverpool	[TNDT] (Loan Writer)	[H(E)B] and [NN] of [313 F]	1
40	Ryde	[JX] (Loan Writer)	[P(T)G]	8
44	Ryde	[RP] (Loan Writer)	[P(T)G]	2
70	Alphington	[BG-M] (Loan Writer)	[J-AP] of [TF] Pty Ltd	12
71	Alphington	[AG-M] (Loan Writer)	[AC] (formerly known as [AC]) of [T-EA]	37
72	Alphington	[AG-M] (Loan Writer)	[J-AP] of [TF] Pty Ltd	11
85	Marrickville	[CE] (Franchise Principal) and [YW] (Loan Writer)	[LW]	9

SUMMARY OF CONCLUSIONS

The total number of contraventions of section 31(1) of the Credit Act listed in this Schedule is 84.

Please note, the names of all individuals and corporations/businesses have been anonymised using the format [XX].