



AFIA COMMISSIONS INDEPENDENT REVIEW OF THE BNPL CODE OF PRACTICE

14 October 2022. AFIA today announced an independent review of the Buy Now Pay Later (BNPL) Code of Practice to be undertaken by Promontory Australia, led by Mr Peter Kell, Managing Director. AFIA has commenced this review six months earlier than originally planned in response to feedback from stakeholders.

Diane Tate, CEO of the Australian Finance Industry Association (“AFIA”), encouraged participation in the review by consumer representatives, retailers and merchants, and other stakeholders with an interest in or experience of BNPL products and services, which will help to enhance the strength of the standards contained in the BNPL Code.

“The BNPL Code was developed by our BNPL members in response to a Senate inquiry in 2019 and provides a set of enforceable standards and consumer protections that go above and beyond the law.

“AFIA believes industry-led self-regulation has an important role to play and can be responsive to technological changes, shifts in market and economic conditions, and importantly, changes in customer expectations. The review will enable the Code to be assessed against these developments.

“The BNPL Code was updated in March this year to incorporate changes to the definition to ensure payday lending and other predatory products and services were clearly excluded and to stop certain marketing practices by companies wanting to associate themselves with the Code.

“Given the pace of change more generally in the finance sector since the BNPL Code was introduced, this review provides an opportunity to assess how the BNPL Code is performing and to identify actions needed to further strengthen the Code. It may also identify issues that can serve as important inputs to the consultation on the regulation of BNPL flagged by the government. We look forward to working with the government following the outcomes of the review.

“We are pleased to appoint Promontory as the independent reviewer. With a team led by Peter Kell, they are uniquely placed to lead the review given their depth of experience in financial markets and regulatory frameworks. I strongly encourage anyone with an interest in the outcome of the review to make their views known through a submission,” Ms Tate said.

Promontory will be providing further information about the consultation process shortly. Please email BNPLCode@promontory.com with any queries about the review and how to participate. The Terms of Reference and other details can be found [here](#).

The review is due to report the findings by 1 March 2023. Once the review is complete, AFIA and the BNPL members will consider the recommendations and any changes that may be needed to ensure the BNPL Code continues to promote best practice consumer protections and supports competition and innovation in finance.

ENDS

For more information, please contact Anna Fitzgerald, Executive Director, Communications & Strategy at AFIA anna.fitzgerald@afia.asn.au or 0410 447 922.

ABOUT AFIA

AFIA is the only peak body representing the entire finance industry in Australia.

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia. More information at afia.asn.au

ABOUT PROMONTORY

Promontory, a business unit of IBM, is a premier consulting practice with particular expertise in regulatory, policy and market issues in financial services. More information at promontory.com