

FinTech Australia

Wednesday, 13 December 2017

COMMUNIQUE FROM ROUNDTABLE MEETING

A roundtable meeting was held today between representatives of the Australian Small Business and Family Enterprise Ombudsman, FinTech Australia and theBankDoctor.org. The participants agree that:

- Transparency is critical for SMEs to make informed decisions about their finance options.
- Fintechs are an emerging alternative to banks for small business finance, often through seamless and highly automated online application, assessment and decision processes.
- It's beneficial for the small business sector to have increased choice of options for finance and greater access to funding for growth.
- It's important that small businesses have confidence in the fintech sector and the broader business finance environment.

The six pillars of industry self-regulation and action have been identified as:

- A Glossary of Common Lending Terms
- Standard comparative metrics and tools
- An industry Code of Conduct or Charter
- Compliance with Unfair Contract Terms legislation
- Internal and external dispute resolution
- Advocacy to support sustainable industry growth.

The roundtable participants commit to working collaboratively over the coming weeks to:

- Establish general principles for the types of rates, fees, costs and terms and conditions (T&Cs) that should have standard definitions (starting with the industry glossary);
- Identify the types of rates, fees, costs and T&Cs that may be useful for SMEs to make informed decisions, and could therefore be part of an industry self-regulatory regime;
- Establish and implement a self-regulatory regime to increase transparency and disclosure; and
- Prepare a guide in plain English that will help educate and inform SMEs about the fintech small business finance industry.

The parties agree that a report will be published in February 2018 which will include a timeline for delivery of the recommendations.

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