

## Notice of Sanction – OnePath Limited

This is a Notice of Sanction issued by the Life Code Compliance Committee (Life CCC) to OnePath Limited in accordance with section 13.14 of the Life Insurance Code of Practice (the Code).

### *Decision*

Following a prolonged investigation, the Life CCC has made a final determination that the required remediation regarding a self-reported significant breach of section 4.7(d)(i) of the Code did not occur within the agreed timeframe.

Despite agreeing on 15 November 2018 to implement agreed remedial actions including writing to all customers who purchased the non-compliant ANZ Loan Protection Insurance product by no later than 31 January 2019, OnePath Limited failed to do so and did not complete its remedial actions in full until 10 May 2019.

In the context of the duration of the breach, which had been ongoing since 1 July 2017, the Life CCC also observed that:

- The final notification to all affected consumers, in relation to the breach, was completed on 10 May 2019, and took over one year and 10 months after first reporting the breach to the Life CCC in July 2017. The Life CCC is of the view that this is unreasonable.
- OnePath Limited did not cease the sale of the non-compliant product until 22 February 2019. This was one year and seven months after OnePath Limited self-reported a breach of section 4.7(d)(i) of the Code in relation to the product.

### *Obligation under Code subsection 4.7(d)(i)*

Where a Code subscriber offers a consumer credit insurance (CCI) Life Insurance Policy as an add-on to a loan and offers the option of paying the premium through the loan then there is an obligation under subsection 4.7(d)(i) of the Code that the Code subscriber should also offer at least one non-financed payment option, such as a monthly direct debit.

The breach of subsection 4.7(d)(i) is based on the fact that OnePath Limited did not offer a non-financed option in relation to some of its products.

### *Publication of this Notice of Sanction*

This Notice of Sanction is to be published on the websites of OnePath Limited and the Financial Services Council, in a manner and position that is easily accessible by the public.

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