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26 March 2021

The Director  
AFCA Review Secretariat  
Financial System Division  
Treasury  
Langton Cres  
Parkes ACT 2600

Via email  
[AFCAreview@treasury.gov.au](mailto:AFCAreview@treasury.gov.au)

**Regarding the Review of the Australian Financial Complaints Authority (AFCA)**

COSBOA welcomes the opportunity to make a short submission to the Treasury regarding the performance and structure of the AFCA over the first two years of operation.

The Authority inherited many ongoing issues and has the additional challenge of becoming established during a COVID-19 pandemic. We acknowledge the work done so far and the challenges still to be addressed.

Our main concern is the cost to many small financial service businesses when complaints are brought to AFCA and dismissed. The cost is borne by the business, despite no wrong doing. The resolution would appear to be some mechanism for sharing of costs when this occurs.

COSBOA also notes that the timeframes to deal with complaints from small businesses are higher than any other complaint category, being 152 days and that after 6 months, 23% of complaints are still unresolved. This speaks to the complexity of the issues being raised by small businesses and handled by the AFCA. In reviewing AFCA, it would be advantageous for the small business community to be able to rely on speedy resolution of financial issues, which will often impact a businesses operating cashflow.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Strong', written over a light blue horizontal line.

Peter Strong  
Chief Executive Officer  
Council of Small Business Organisations Australia (COSBOA)

ABOUT COSBOA The Council of Small Business Organisations Australia (COSBOA) is the national peak body representing the interests of small business. Collectively, COSBOA's members represent an estimated 1.3 million of the 2.5 million small and family businesses that operate in Australia.

COSBOA is the big voice for small businesses people since 1977. As a collaboration of peak organisations, we promote small business with independent, tenacious advocacy to powerful decision-makers to get a better deal for millions of small businesses people and a better economy for all Australian people.

Small and medium sized enterprises (SMEs) are major contributors to the Australian economy. SMEs employ 68% of Australia's workforce. In GDP terms SMEs together contribute 56% of value added. For this reason, small and medium businesses will be the key partners with Government in re-building the Australian economy.