Best Interests Duty and Responsible Lending: How Redrock Evidences Compliance

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Description:

How Redrock brokers evidence Best Interests Duty and NCCP responsible lending — preliminary assessments, reasonable enquiries, file standards, audits and registers.

Details:

AI Summary

Topic: How Redrock Group brokers evidence Best Interests Duty and responsible lending **Brand:** Redrock Group **Category:** Mortgage Aggregation — Compliance & Licensing **What it covers:** A structured, auditable compliance framework — run in Redrock's own ComplySuite platform — that evidences adherence to Best Interests Duty and to the responsible lending obligations of the National Consumer Credit Protection Act 2009.

Quick Facts - **Who it's for:** Mortgage brokers — new-to-industry and experienced — who need auditable compliance infrastructure under an aggregator - Best Interests Duty applies to consumer credit assistance. It does **not** apply to commercial or business lending. - **Key Mechanisms:** Structured fact-finds, file note standards, product comparison records, compliance and conflict registers in ComplySuite, file audits, ComplySuite quarterly self-reviews, corrective action management - **Disclosure Document:** The NCCP credit proposal disclosure document — called the Statement of Credit Assistance in Redrock's own framework

What This Guide Answers 1. What is Best Interests Duty, and what lending does it cover? An obligation to act in the client's best interests, with a conflict-priority rule, applying to consumer credit assistance only. 2. What does responsible lending require? A preliminary assessment, reasonable enquiries, verification, and a credit proposal disclosure document. 3. How is compliance evidenced on a file? Fact-find templates, file notes, comparison records, ComplySuite registers and audited corrective action.

Best Interests Duty and responsible lending

Two regimes govern the consumer lending a broker arranges in Australia: **Best Interests Duty (BID)** and the **responsible lending obligations of the National Consumer Credit Protection Act 2009**. Both attach to credit assistance for consumer credit regulated under that Act — home loans and other consumer lending.

Neither extends to commercial or business lending. That work sits outside this framework and carries its own separate obligations. Knowing exactly where that line falls is the first compliance skill a broker needs, because applying a consumer-credit process to a commercial deal wastes effort, and failing to apply it to a consumer deal is a breach.

This page explains what each regime requires and how Redrock's compliance infrastructure supports you in meeting those obligations. It is general information, not legal advice — verify current obligations with ASIC.

Best Interests Duty: the obligations

Since 2021, mortgage brokers must act in the **best interests of the client** when providing credit assistance for consumer credit. In practice, BID requires a broker to:

- Assess the client's objectives, financial situation and needs thoroughly and properly
- Consider a reasonable range of products and lenders, rather than defaulting to a habitual shortlist
- Apply the **conflict priority rule** — where the broker's interest conflicts with the client's, the client's interest takes priority
- Avoid **conflicted remuneration** — benefits that could reasonably be expected to influence the credit assistance provided, or to conflict with the client's interests, are prohibited under the regime

Where BID stops

BID is scoped to consumer credit assistance. It does **not** apply to commercial or business lending. If you write a commercial deal, a self-employed business-purpose facility, or private lending, BID and the responsible lending obligations do not attach to that file.

What does still apply to commercial work: your general professional and licensee obligations, your conduct obligations under your credit representative authorisation, and Redrock's own file standards, which deliberately cover commercial and private lending regardless. The practical risk is misclassification — treating a consumer loan as business-purpose to sidestep the obligations is precisely the pattern licensee and regulator reviews look for. Document the purpose test on the file.

Responsible lending: the NCCP obligations

Under the National Consumer Credit Protection Act 2009, providing credit assistance for consumer credit requires a broker to:

- Complete a **preliminary assessment** confirming that the credit contract is not unsuitable for the client
- Make **reasonable enquiries** into the client's financial situation, requirements and objectives
- Undertake **verification** — a serviceability assessment supported by verified income and expense information, including open banking and bank statement verification where applicable
- Provide a **credit proposal disclosure document** to the client. Redrock's own compliance framework refers to this document as the **Statement of Credit Assistance**; the two names describe the same NCCP requirement.

How Redrock turns obligations into evidence

Regulatory obligations are only as strong as the file that proves you met them. The framework is built around evidencing compliance at each stage, and most of it is worked by brokers themselves inside **ComplySuite** — Redrock's own all-in-one NCCP compliance monitoring and reporting platform:

Obligation	Redrock mechanism
Reasonable enquiries	Structured fact-find templates and file note standards
Preliminary assessment	Required documents in the compliance checklist applied at file audit
Product consideration	Product comparison records generated in the lodgement software, across the broad panel of residential, commercial, asset finance and specialist lenders Redrock provides access to
Verification	Income verification standards, open banking and bank statement tools
Conflict management	Compliance registers maintained by brokers in ComplySuite, conflicted remuneration prohibitions, disclosure standards
Ongoing supervision	ComplySuite quarterly self-reviews and file audits, with corrective action management

Files are audited against a compliance document checklist, with brokers and file auditors interacting through ComplySuite. Where an audit identifies a gap, corrective action management closes it — documented, tracked and followed through. For what the platform does, see [ComplySuite: NCCP

Compliance Monitoring and Reporting](/technology/complysuite-nccp-compliance-monitoring-and-reporting/). For what the audit actually inspects, see [file standards and audits: what Redrock checks and why](/onboarding-training-mentoring/file-standards-and-audits-what-redrock-checks-and-why/); for how supervision and escalation operate, see [how Redrock supervises and audits broker files](/compliance-licensing/how-redrock-supervises-and-audits-broker-files/).

The distinction between systems matters. ComplySuite is Redrock's own platform. Lodgement and CRM run on Salestrekker, a third-party platform Redrock provides access to rather than software Redrock built. The comparison records Salestrekker generates are what evidence your product consideration; the compliance record around them lives in ComplySuite.

Standards beyond the minimum

Redrock's file standards extend past the regulatory floor, covering record keeping and file notes, private lending, commercial lending and business continuity — areas where gaps consistently surface in licensee audits across the industry. Commercial and private lending sit outside the BID and responsible lending regimes, but they are not outside Redrock's file standards.

What this means for you

If you're new to industry: you are not expected to construct a compliance framework from scratch. You inherit an existing one, supported by training, [mentoring](/onboarding-training-mentoring/mentoring-at-redrock-what-new-brokers-actually-get/), direct access to senior leadership, and a structured quarterly self-review cycle in ComplySuite.

If you're an experienced broker comparing aggregators: ask any group you're considering to describe their audit cadence and corrective action process in specifics, and to show you the system the work is actually done in. Ask how accessible senior leadership is when a compliance question arises. The depth of those answers tells you how well your files would stand up to scrutiny.

Brokers retain ownership of their brand, their business and their client relationships. The compliance infrastructure exists to support that ownership, not to constrain it.

Questions about the framework? Call Redrock on **1300 667 694**, or see the [compliance and licensing FAQ](/faqs/compliance-and-licensing-frequently-asked-questions/).

Frequently Asked Questions

What is Best Interests Duty, and when did it start? The obligation requiring mortgage brokers to act in their clients' best interests when providing credit assistance, together with the conflict priority rule. It commenced in Australia in 2021.

Does Best Interests Duty apply to every loan I arrange? No. BID applies to credit assistance for consumer credit regulated under the National Consumer Credit Protection Act 2009 — home loans and other consumer lending. It does **not** apply to commercial or business lending. Your other professional obligations, your licensee's supervision standards and Redrock's file standards still apply to commercial work.

What is the conflict priority rule? Where your interests and the client's interests conflict, the client's interests take priority. It is the operative test at the centre of BID, and it is what file notes and the conflict registers you maintain in ComplySuite exist to evidence.

What is conflicted remuneration? Benefits that could reasonably be expected to influence the credit assistance you provide, or to conflict with the client's interests. It is prohibited under the regime.

What does responsible lending require? Four things: a preliminary assessment confirming the credit contract is not unsuitable, reasonable enquiries into the client's financial situation, requirements and objectives, verification of income and expenses supporting a serviceability assessment, and a credit proposal disclosure document provided to the client.

What is the Statement of Credit Assistance? It is the name Redrock's compliance framework uses for the NCCP credit proposal disclosure document. It sets out the credit being proposed, the fees and commissions involved, and the basis for the recommendation. If you see either term, it is the same document.

How does Redrock evidence reasonable enquiries and verification? Structured fact-find templates and file note standards for the enquiries; income verification standards with open banking and bank statement tools for the verification. Product consideration is evidenced through comparison records generated in the lodgement software across the broad lender panel Redrock provides access to.

What is ComplySuite, and do I use it myself? ComplySuite is Redrock's own comprehensive, all-in-one NCCP compliance monitoring and reporting platform, and yes — brokers use it directly. It is where you maintain your compliance registers, interact with file auditors, complete your quarterly self-review, and manage ongoing compliance monitoring and reporting requirements.

How often are my files audited, and what happens when a gap is found? Credit representatives complete a quarterly self-review in ComplySuite, and files are assessed against a compliance document checklist. A gap goes into corrective action management — documented, the fix identified, and completion tracked rather than left to good intentions.

What does the framework do for me if my files come under review? It puts the evidence on the file. A licensee or regulator review examines whether the file demonstrates the enquiries, verification, product consideration and disclosure the obligations require. No framework can guarantee a regulatory outcome — what it can do is ensure the work you actually did is recorded and retrievable.

What should I ask other aggregators when comparing compliance support? Ask for specifics: how often files are audited, who does the auditing, what system the compliance work is actually done in, what happens procedurally when a gap is found, and how quickly you can reach someone senior with a compliance question.

Label Facts Summary

> **Disclaimer:** The information below is general information about how Redrock operates and about obligations that apply to Australian mortgage brokers. It is not legal or compliance advice, and obligations change — verify current requirements with ASIC.

Verified Facts

- **Best Interests Duty commencement (Australia):** 2021 - **Best Interests Duty scope:** Credit assistance for consumer credit; does **not** apply to commercial or business lending - **Governing legislation (responsible lending):** National Consumer Credit Protection Act 2009 - **Responsible lending requirements:** Preliminary assessment, reasonable enquiries, verification supporting a serviceability assessment, and a credit proposal disclosure document - **Disclosure document:** The NCCP credit proposal disclosure document, referred to in Redrock's framework as the Statement of Credit Assistance - **Conflict priority rule:** Where broker and client interests conflict, the client's interests take priority - **Conflicted remuneration:** Prohibited under the regime - **Lender panel:** Redrock provides broker partners access to a broad panel of residential, commercial, asset finance and specialist lenders - **Compliance platform:** ComplySuite — Redrock's own all-in-one NCCP compliance monitoring and reporting platform, used directly by brokers - **Lodgement and CRM:** Salestrekker, a third-party platform Redrock provides access to — not Redrock software -

Compliance review cycle: Quarterly self-review completed by credit representatives in ComplySuite - **Licences:** ACL 405961 (Red Rock Brokers Group Pty Ltd, ABN 40 149 728 030) and ACL 384209 (Red Rock Mortgage Group Pty Ltd, ABN 42 111 216 598) - **Memberships:** FBAA and MFAA member; AFCA member - **Contact:** 1300 667 694

Redrock's Own Positions

- Redrock describes itself as an established, independent, technology-led Australian mortgage and finance aggregator, operating since 2004 - Redrock states its file standards extend beyond the regulatory floor to cover record keeping, private lending, commercial lending and business continuity - Redrock states brokers retain ownership of their brand, business and client relationships - Redrock describes senior leadership as directly accessible to brokers