

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### ANZ

**ANZ100QON: Mr SIMMONDS:** Mr Elliott, I just want to expand on my last line of questioning. Could you just go into your engagement a little bit more, particularly with those who have been subject to these kinds of messages?

**Mr Elliott:** As I said, the transactions get filtered manually. An individual assesses whether that is abuse or not. If it is deemed to be abuse, the transaction gets stopped, and then we talk to the victim—in this case, the recipient of the intended message—through our customer care angle. Then we would typically write to or communicate with the perpetrator to say why that is unacceptable and ask them to stop doing it, essentially.

**Mr SIMMONDS:** Can you quantify for me how many you've had to write to?

**Mr Elliott:** I don't know, and that's where I've let us down and you down, and we've got to build a better system of counting that. It's not acceptable; I'm the first to admit that. So I don't know.

**Mr SIMMONDS:** Is it worth taking on notice, or is it just that your systems don't allow it at this stage?

**Mr Elliott:** They don't allow it. I can get my team to do their best estimate, certainly. They did do a sample base for the board, and we can certainly give you what we do know.

**Answer:** ANZ's systems do not currently support the counting and reporting of outward transactions that are stopped because they breach ANZ's profanity list. This capability is being developed.

ANZ's financial crime intelligence team has conducted an initial abuse in transactions assessment. This assessment did not relate to transactions blocked by the profanity list. Rather, it considered transactions with messages that might be abusive in nature or pattern.

The assessment identified:

- 1,745 payments where the description included a word or phrase on our profanity list (incoming messages from non-ANZ customers and some variations of spelling or abbreviations of words on the profanity list);
- over 250 customers sending or receiving a high volume of low value payments where we deemed there was no abuse; and

- 47 customers as sending or receiving greater than 10 messages with words or phrases that could indicate abuse.

Following the assessment, ANZ:

- spoke to and issued a written warning to one customer advising that they will be exited if there are further instances of abuse. We also notified the receiving bank and referred the matter to the police. The case was discussed with the Board; and
- reported 27 customer cases to AUSTRAC (17 involving Suspicious Matter Reports) as potential breaches of the law.