

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ84QW: (a) What elements of the loan application process are in place to identify and mitigate the risk that the bank is party to coercive control practices?

(b) Does the bank seek specific information from potential borrowers to identify signs of coercive control practices or financial abuse?

Answer: (a) & (b)

Staff involved in the loan application process receive training on recognising and understanding vulnerability, including coercive control. For example, retail bankers are trained to identify signs that a customer may be subject to coercive control or physical or financial abuse during the loan application process.

Retail bankers must confirm as part of every loan application process that each borrower appears to understand the transaction and wishes to proceed.

Our policy is to not proceed with applications where coercive control is detected.

Where coercive control or family domestic violence is detected, our staff are trained to refer customers to relevant support services, including 1800 RESPECT and Uniting CareRing program.

Protections for co-borrowers

Relevant ANZ credit policy and processes incorporate the requirements of the Banking Code of Practice concerning substantial benefit.

Retail bankers (including mobile lenders) and mortgage brokers must assess and record whether a co-borrower is receiving a substantial benefit. While a borrower can still be subjected to coercive control even with a substantial benefit from the loan, lack of substantial benefit can be a strong indicator that one party is being coerced into entering the loan.

If the co-borrower is not receiving a substantial benefit, bankers and brokers must ascertain that the co-borrower understands the loan agreement and the responsibilities of entering into it. As noted above, bankers and brokers must be satisfied that the customer is not experiencing financial abuse.

The documentation prepared by the banker or broker on this issue is checked and validated at credit assessment stage. Assessors can request further steps be taken if necessary.