

11 November 2021

Mr Danton Leary
Inquiry Secretary
House Standing Committee on Economics
Department of the House of Representatives
Parliament House
Canberra ACT 2600

By email: economics.reps@aph.gov.au

Dear Mr Leary

Inquiry into major banks and other financial institutions, ANZ appearance, 23 September 2021

I refer to the appearance before the Standing Committee on Economics of Mr Shayne Elliott and Dr Kathryn van der Merwe on 23 September 2021.

ANZ would like to supplement and clarify the testimony on certain topics covered in the portion of the hearing relating to the inquiry into major banks and other financial institutions.

Firstly, we note that Mr Elliott's reference to first home buyers making up "11-ish per cent of the volume that we see at ANZ" is the share over the last financial year (p. 39 of the Hansard).

Secondly, in relation to Mr Elliott's comments regarding fintech businesses (at the bottom of p.41 of the Hansard), we wish to clarify that the banking relationship with a fintech referred to was not reconsidered by ANZ on the grounds of business model viability.

Thirdly, Dr Leigh asked about foreign exchange fees and exchange rates (from the bottom of p. 42 of the Hansard) and Mr Elliott spoke about the transparency of ANZ's offering. After reviewing the web pages of other banks, we do not think ANZ is necessarily *more* transparent than all others.

Fourthly, in response to Mr Simmonds' question about updating customer accounts with up to date identification information (p. 46 of the Hansard), we note ongoing activity at ANZ could be characterised as a program of work.

Finally, in relation to questions from Mr Simmonds about abuse using transaction description fields (pp. 47, 56 and 57 of the Hansard), we wish to supplement and correct Mr Elliott's testimony. 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 conducted an initial abuse in transactions assessment focused on behaviour and terminology used in the messaging that might be abusive in nature or pattern. This assessment did not relate to transactions blocked by the profanity list. Since the hearing, ANZ has begun a monthly process of identifying, and reporting on, the use of our channels for abusive messaging.



The initial 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). It also identified 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.

Yours sincerely

Martin Joy
Head of Public Policy