

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Commonwealth Bank of Australia

**CBA85QW: Lending practices and coercive control**

(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:** At CBA we see any form of financial abuse as unacceptable and have invested considerably in recent years to strengthen protections against this as well as to increase support for those affected.

Specialised training is provided to our frontline staff that is designed to help them detect and respond to signs of financial abuse. When completing a loan application, staff are instructed to observe for the following signs:

- a borrower advising they are going through a separation with the other applicant for the loan;
- the customer speaks limited or no English and does not appear to understand their risks or responsibilities in relation to the loan;
- a third party is speaking on behalf of the customer who is quiet during an interview;
- a third party is in the background coercing the customer; or
- the customer appears confused or becomes agitated when advised the Bank must speak to all borrowers.

We have additional processes in place when completing a loan application involving co-borrowers. Joint loan applications can only be submitted through assisted channels where CBA frontline staff seek specific information from potential borrowers to identify signs of coercive control practices or financial abuse. There are also specific protections in place for guarantors (where applicable) to loan applications.

In the event our staff detect signs of possible financial abuse they are required to inform their manager and ensure that the coercive loan arrangement does not proceed. There are processes in place to intervene and protect customers in the event we assess that declining the loan application upfront could put a customer at greater risk.

There are a range of signs of possible financial abuse that our staff are guided to look for, and where those are apparent, they are prompted to ask a series of questions to:

- further assess whether the request is genuine;
- determine which parties stand to benefit from the transaction; and
- to assess the relationship between the primary customer and any other party peripherally or directly involved.