

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### NAB

#### NAB55QON:

**Mr SIMMONDS:** ...I'll switch to a slightly different topic that I'm concerned about, which is the recent Banking Association commentary around people using bank transactions as a de facto messaging service, particularly around domestic abuse cases, and as a form of coercion and control. Have you taken steps within your bank to anticipate or identify the extent of the problem?

**Mr McEwan:** Firstly, we believe we understand the extent of the problem. We're working with the industry to get a plan that we can all work on to stop this. At the moment, we're not in a position to intervene ourselves at this point, but we need to be. We're working with the industry to get an approach to this and a model that we can all operate on to help customers out.

**Mr SIMMONDS:** What do you mean when you say you're not in a position to intervene? Is it that the regulatory framework isn't there?

**Mr McEwan:** No, just from our own systems perspective—

**Mr SIMMONDS:** Right.

**Mr McEwan:** and that we want to be in that position, but, right now, we're not.

**Mr SIMMONDS:** So you can identify where somebody is using particular words, for example, and therefore you can quantify it. But surely you can then take action against the individual customers, could you not, to prevent them from continuing as a customer, for example?

**Mr Dooley:** We're working through this issue very carefully. There's definitely an issue. There are millions of transactions occurring every day, and we need to ensure that the solution that we develop enables us to deal with that in an effective way. We've formed a working group. We're looking at what's required to be done in terms of both our approach and our systems, and we're looking to implement a solution to that. But we're in the face of reviewing and investigating the issue. It's definitely an issue and it's one that we want to be able to address.

**Mr SIMMONDS:** I like it if perhaps you had a viewpoint, but, in terms of the Australian parliament, are there the appropriate regulations, legislation or criminal offences in place that would allow you to take appropriate action when you identify these kinds of cases, particularly if it is vile and ongoing abuse?

**Mr Dooley:** Yes, I think that's a good question, and it's one that certainly the Australian Banking Association has formed a working group which we and the other banks are involved in. I think that working group will look at those very issues that you've highlighted, to see whether recommendations can be made to improve the legislative support for what we need to do to clearly protect—

**Mr SIMMONDS:** Okay. I understand the Banking Association will have a view about this, but do you as an organisation have a view about what more needs to be done?

**Mr McEwan:** From the perspective of our specific bank, we need to put ourselves in a position to actually block out these payments while this sort of commentary is put beside them, and at the

moment we're just not in that position, but we need to get ourselves there. That's what Shaun says we're working on.

**Mr SIMMONDS:** Good. I agree. Have you got a time frame for when you think you'll be in that position with the upgrade currently underway or something?

**Mr McEwan:** I'm trying to defer this because we see it as a serious issue, but across multiple payment structures we need to find a way of blocking them. You can probably do one, but you can't do the probably 50 that come in and out of the organisation through different pipes. We need find a solution across those to block them out, and we don't have that at the moment.

**Mr SIMMONDS:** You said you were able to quantify. Do you have a number that you can provide the committee about the extent of it within customers in the bank?

**Mr McEwan:** I haven't got that. We can see if we can find that number and come back to you. I haven't got that number with me here. I think one of the other banks has done quite a bit of work on what they've seen. We've started that process, and our view was to work with the industry on it so we've got a unified way of doing it. I don't have a solution today.

**Mr SIMMONDS:** Okay. I would appreciate it if you could take it on notice and furnish the committee with any further information you can provide as your organisation progresses to deal with the matter

**Answer:**

We are taking steps to understand the extent to which our platforms are used as de-facto channels for perpetrators to threaten or abuse our customers.

An initial investigation which looked at data for the last two years showed that there were approximately 2400 instances of explicit, offensive, threatening or abusive language via our credit transaction platform. We know this is not the full extent of the problem and we are currently investigating all payment transactions in our Internet Banking and Mobile application platforms. This data, which comprises millions of transactions, will be analysed by 31 October 2020. We are willing to share a summary of that analysis with the Committee when it is complete, so that you may understand the extent of the issue at NAB and our peers.

The Working Group, while sourcing and analysing the data, has also commenced work with our technology teams to develop potential solutions to the problem.

In addition, we continue to work through the ABA to establish an industry position and approach to discourage and prevent this type of behaviour. Together we will work with the ABA, our peers, law enforcement, the e-Safety Commissioner and community partners (particularly those supporting Victim/Survivors of Domestic and Family Violence) to agree how we implement consistent measures to discourage and prevent this behaviour across the industry.

We are also working with the ABA in relation to establishing a position regarding the appropriate level of regulation, legislation and criminal offences that would support us, and others, to take appropriate action where we identify this behaviour (particularly for repeat offenders). We will continue to provide updates on this matter as the work progresses.