

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

Westpac

**WBC68QON:**

**Mr SIMMONDS:** Can I switch then to concerns I have around the topic of banking transfers being used as a de facto messaging service—and this has particularly been highlighted by the Banking Association recently around domestic violence, for example, as a form of coercion and control. What has your bank done to identify the prevalence of this within your service?

**Mr King:** Yes, I'm concerned about this as well. This is people putting messages into bank statements, which is not appropriate in some circumstances. We're monitoring that and, where we see behaviour that needs to be reported to law enforcement, we're doing that.

**Mr SIMMONDS:** CommBank, for example, was talking about identifying people who were using swear words. Can you identify instances where people are using words like 'kill', 'maim' or 'control' within the descriptions of their bank transfers?

**Mr King:** When I talk about monitoring what people are doing, that's what we're doing. We're looking straight out for those words, but people also find creative ways to spell them without using the exact letters so we look at both the simple and more complex words.

**Mr SIMMONDS:** Good. That's what I'm trying to drill into, and I don't expect you to have that kind of finer detail at your fingertips. But perhaps you can take on notice and give us a little more information about the capacity of your system to do it and how much detail you can look into in these kinds of transactions. Have you been able to put a figure on the number of transactions where you've identified this as a problem?

**Mr King:** We'll take it on notice. I don't think it's smart for us to be publishing what we're looking for.

**Mr SIMMONDS:** Well, I suppose—okay, take it on notice

**Mr King:** We'll do what we can.

**Mr SIMMONDS:** I don't just want you to do what you can; I want you to take it really seriously. It is a horrible issue, and what I'm trying to ascertain on behalf of the parliament is: does the parliament need to step in with more regulation for organisations like yours to take these matters further and put more resources into it for you to take more responsibility in terms of reporting it to the police? Or do you have the capacity and the systems to be able to do that at the moment? Any information you could provide in that regard would be helpful to demonstrate that you are taking as seriously as it deserves.

**Answer:** In late 2019 we engaged on this issue through an informal industry and internal working group. We undertook initial analysis of payment descriptions based on selected key parameters over a four-month period which identified 0.2% of payments (around 2,000 of 1 million) as possible occurrences of abuse in payment descriptions which required further review. We then introduced a daily reporting and analysis process (currently identifying approximately 5-10 possible occurrences per day) and have a digital screening solution under development which will be piloted in early 2021. To support this

we are also refining our service model to ensure, where required, support for vulnerable customers in the context of abuse in payment descriptions. We are continuing to work with Australian Banking Association and NPP Australia to facilitate a standardised industry wide approach to prevention, sharing and acting on possible instances of abuse in payment descriptions.

The parameters we are using are a combination of industry standard key words that are indicative of abuse or conversational interaction (i.e. not purely to describe a payment) and will evolve over time as we operationalise across the industry. We will continue to provide 'free text' for payment descriptions however, our digital solution will endeavour to prevent abusive text in payment descriptions and our standards will be informed by basic prohibited 'keywords' that will prevent a payment from progressing from the customer's online banking. We will also give customers the ability to report when they see an abusive message in the payment description attached to a payment they receive. We will then inform the sending financial institution of the customers report and ask that they take steps to address the issue.