

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### Westpac

**WBC79QON:** **Mr SIMMONDS:** Of the customers that have had payments rejected because of abuse, how many have then tried to do it again, or how many have you taken action on under your terms and conditions to exit them from the bank?

**Mr Vance:** In the context of the first number, of the 4,800 transactions, they belong to 3,500 customers. That gives a feel for it. There's not a heavy instance of repeat behaviour, but, still, 1,300 that have come from a person who's done it before is way too many. I would have to come back with numbers, in terms of both customer exits and the numbers that we've reported to authorities, but we have done both.

**Mr King:** We've reported around 10 customers to authorities, so it's not a big portion but it's still a lot of people.

**Mr SIMMONDS:** Sure. I would appreciate you taking those numbers on notice. I would also be interested in the numbers of people you have exited from your own institution because of that behaviour. Do you have people continuously monitoring it?

**Answer:** Westpac aims to prevent abuse, harassment, and threats between customers occurring on our banking platforms. We do this in three ways:

- **Real time blocks:** Since 17 January 2021, Westpac has been blocking online transactions containing inappropriate or offensive language. In real time, the system requests that the customer amend payment details by removing the inappropriate language for their transaction to proceed. To 16 May 2021, we have asked around 7,300 customers in real-time to change the inappropriate language description of 9,507 payments.
- **Self-reporting:** Since 4 March 2021, Westpac customers have been able to report transactions they believe are abusive. Customers can click a 'report' button in our online and mobile banking platforms to have the message flagged and sent to a dedicated team for review and action. This functionality complements real time blocks in that some transactions may constitute abuse, threats or harassment without the use of inappropriate language. To 16 May 2021, the team has confirmed 29 instances of self-reported abuse.

***Note:** St George, Bank of Melbourne and Bank of South Australia commenced real-time monitoring and self-reporting on 26 March 2021.*

- **Advanced data analysis:** Since 1 October 2020, Westpac has conducted advanced data analysis on inbound and outbound payments to help detect more subtle threats and patterns of abuse in messages. This functionality complements real time blocks in that some transactions may constitute abuse, threats or harassment without use of inappropriate language. Flagged transactions are sent to a dedicated team for review and action.
  
- To 16 May 2021, Westpac Group has:
  - Issued 164 customers with a warning letter to either suspend their internet banking or cancel their banking relationship;
  - Suspended 12 customers use of online banking;
  - Cancelled our banking relationship with 4 customers; and
  - Reported 17 customers to AUSTRAC and law enforcement due to concerns about abusive messages in transactions.