

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF AUSTRALIA'S FOUR MAJOR BANKS

Australia and New Zealand Banking Group Limited (ANZ)

From Committee Chair Dr Daniel Mulino MP:

2. For each of the past five years, how many legal cases has your bank been involved with? How many were instigated by the bank?

The table below sets out the number of litigation matters that ANZ has been involved in that have been reported to the ANZ Board over the last five years (referred to as 'major litigation'). ANZ is involved in other types of litigation, including debt recovery actions, employment matters, and property and leasing matters, but we do not keep central records of these.

Where a case has been on foot for several years, we have included that case for each year the case has been on foot. The figures do not reflect the number of new cases commenced in each year, and the total number of cases in the table does not equate to the number of separate pieces of litigation. There was, in fact, a total of 35 major litigation matters reported to the ANZ Board in the last five years.

In situations where ANZ first identified an issue to a regulator that subsequently became the subject of legal proceedings, we have considered ANZ to have 'instigated' the case. The total number of cases instigated by ANZ therefore includes both cases in which ANZ is the plaintiff and cases where ANZ is the defendant to regulatory proceedings.

Year	Number of major litigation matters reported to the ANZ Board	Number of cases instigated by ANZ
2019	16	4
2020	21	4
2021	18	3
2022	17	4
2023	13	2
2024	13	2

3. For each of the past five years, how many cases has the bank had at AFCA? What is the proportion of cases that were resolved in the bank's favour, and what proportion in the consumer's favour?

The table below sets out the number of complaints received by AFCA relating to ANZ, the number of those matters that progressed to AFCA case management, and the number of decisions issued by AFCA involving ANZ since 2020 for each calendar year. The table also sets out the proportion of decisions that were resolved in favour of ANZ, in favour of the customer, and by agreement between parties.

	2020	2021	2022	2023	2024 (YTD)
Complaints received by AFCA	4,268	4,349	4,930	5,526	3,885
Matters progressed to AFCA case management	2,117	1,335	1,652	2,024	1,512
AFCA decisions issued	233	198	138	177	135
Proportion of AFCA decisions issued in favour of ANZ	62%	71%	67%	79%	74%
Proportion of AFCA decisions issued in favour of customer	24%	17%	20%	12%	12%
Proportion of AFCA decisions issued resolved by agreement between parties	14%	12%	13%	9%	14%

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ANZ

The Committee requests that all banks provide their estimated number of mule accounts with a view to publishing this information on the Committee's website, for consistency. The Committee is keen to understand the prevalence of mule/scam accounts and what is being done about it. Please provide for-publication data on the estimated number of mule accounts with your bank for the two most recent 12-month periods, by no later than Friday, 6 December 2024.

For the 12 months to 30 September 2023, please refer to our response to 2023 ANZ10QW.

In 2023, ANZ implemented a range of initiatives to assist with identifying and investigating mule accounts, as well as intercepting and preventing the movement of fraud or scam proceeds.

These measures include:

- Establishing our Inbound Team, a dedicated team who investigate accounts that are suspected of receiving fraud or scam funds
- Introducing a mule detection model, which leverages artificial intelligence and machine learning technology to detect accounts being used to receive funds from scam victims
- Adopting the Australian Financial Crimes Exchange's Fraud Reporting Exchange platform. This allows near real-time reporting and actioning of fraud and scam recoveries.

In the 12 months ending 30 September 2024, ANZ investigated approximately 10,500 ANZ accounts that were suspected of receiving fraud or scam proceeds.

Of the approximately 10,500 ANZ accounts investigated, around 2,000 have been identified by ANZ as involving an account holder who may have been complicit in the fraud or scam. We report these to authorities as appropriate and the Australian Financial Crimes Exchange.

It is important to be aware that while some account holders may be complicit in the fraud or scam, in other cases the account holder are themselves a fraud or scam victim who may have unwittingly shared details or received and moved fraud or scam proceeds.

We also note the following in relation to our 2024 data:

- The ANZ accounts investigated have been extracted based on cases opened between 1 October 2023 and 30 September 2024 where the investigation has been completed
- Our data includes:
 - Accounts that had received proceeds from either a scam or fraud

- Accounts suspected of receiving fraud or scam proceeds, but ANZ could not contact the customer to confirm
- “Intel only” (or intended recipient) cases where ANZ has received intelligence about a mule account, but it hasn’t received any funds from another financial institution (i.e. the other financial institution has detected and rejected the payment to the ANZ account)
- Accounts that have been closed, with the associated customer banking relationship terminated
- Accounts that we identified as part of our internal investigation as potentially suspicious and closed before they received fraud or scam proceeds.