

28 June 2024

Mr Ivan Powell
Secretary
Parliamentary Joint Committee on Corporations and Financial Services

By email: Corporations.Joint@aph.gov.au

Dear Mr Powell

Inquiry into the financial services regulatory framework in relation to financial abuse

We refer to your email dated 18 June 2024 requesting information from Latitude Financial Services (Latitude) to assist the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) with its inquiry into the financial services regulatory framework in relation to financial abuse. Latitude welcomes the opportunity to assist the Committee.

Latitude is a credit provider of credit cards, personal loans and motor loans. Distribution channels vary across Latitude's products but include at least one of the following: online, telephone, brokers and merchants.

Latitude is committed to identifying and supporting customers experiencing financial abuse, which occurs when someone exerts control over a customer's access to money or financial decisions or uses the person's finances without their consent. Latitude recognises that financial abuse may arise in the context of domestic and family violence, coercive control, elder or carer abuse and has a 'Vulnerable Customer' framework to assist with identifying and supporting customers experiencing these and other types of circumstances leading to vulnerability.

Latitude's responses to the Committee's questions are set out below.

1. What specific policies, systems, processes or other safeguards does your business have in place to identify, respond to and report suspected financial abuse occurring to your customers?

Latitude has implemented a range of enterprise-wide measures to assist staff with identifying and supporting customers experiencing financial abuse. These include the following:

- **Vulnerable Customer training** - all Latitude staff are required to complete this online training annually, including passing an assessment. This training has specific sections on financial abuse, family and domestic violence and customer privacy (including disclosure of personal or sensitive information which could place a vulnerable customer unintentionally at risk of harm). Customer facing teams also undertake additional training on vulnerable customers, which includes face to face training.
- **Vulnerable Customer Policy and Vulnerable Customer Standard** - the policy sets out Latitude's intent, expectations and approach to address and support the needs of vulnerable customers and the Standard sets out Latitude's approach to managing interactions with customers experiencing vulnerability.
- **Vulnerable Customer Hub** - this hub is hosted on Latitude's intranet and can be accessed by all staff. It provides links to the Vulnerable Customer Policy and Standard as well as information about the external support services that customers who are suspected of experiencing vulnerability, including financial abuse, may be referred to for assistance. These services include support for suspected elder abuse and family and domestic violence.

In addition to the enterprise-wide measures, there are business unit specific guidelines available on Latitude's knowledge management system for staff to consult when dealing with vulnerable customers, including those experiencing financial abuse. These resources complement Latitude's Vulnerable Customer training.

Latitude provides clear information on its website about the hardship assistance it may provide for customers experiencing financial difficulties, including when financial difficulties occur due to family or domestic violence. The information includes the ways in which customers can apply for assistance and includes links to other support services. Latitude also provides a streamlined hardship process for customers who are experiencing various forms of financial abuse and does not require documentation to be provided to support their hardship application. Latitude's Hardship Care team undertake additional training from the National Debt Hotline and are skilled at identifying financial abuse when managing hardship with customers. This team can offer customers a range of financial and non-financial assistance measures, including providing contact details for appropriate free and independent support services and where a customer has concerns for their personal safety, Latitude may provide, at no expense to customers, an independent security assessment. These assessments are conducted by Protective Group, which is led by ex-police officers, and they focus on property and technology abuse interventions that will enhance a customer's safety and disrupt the abuse.

Latitude also offers customers the use of Language Loop interpreting services during telephone interactions so customers who do not speak English do not need to rely on a third party. This measure helps to manage any risk to customers that a third party may take financial advantage of them.

2. What is the extent of suspected financial abuse identified by any such measures in place?

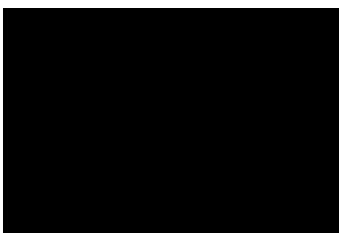
While Latitude captures data where financial abuse, elder abuse or family and domestic violence are given as the reasons for financial hardship assistance being sought by a customer, Latitude does not have data to show the extent of suspected financial abuse more broadly.

3. What is the impact of the shift of financial products to online platforms on the prevalence of, and ability of your business to identify, respond to and report, suspected financial abuse?

Latitude acknowledges that identifying financial abuse where products are distributed online can be challenging due to the lack of direct interaction with a customer. That said, Latitude also considers that identifying financial abuse when providing credit face to face can also be difficult as it may not be obvious that financial abuse is occurring.

Notwithstanding the shift to the online distribution of products, Latitude will generally still have personal interactions with customers, usually over the telephone, during the customer lifecycle. This is because not all customer servicing occurs online even when products are acquired and distributed via online channels. Given the comprehensive training, awareness and policies and procedures in place as set out in response to question 1 above, Latitude believes that it is well placed to identify and support customers experiencing financial abuse where they have acquired their product online.

If the Committee would be assisted by a further explanation from Latitude or has any questions, please contact Matthew Abbott at [REDACTED] or on [REDACTED]



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