

INQUIRY INTO THE FINANCIAL SERVICES REGULATORY FRAMEWORK IN RELATION TO FINANCIAL ABUSE

Parliamentary Joint Committee on Corporations and Financial Services

Bank Australia responses

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?

Bank Australia takes financial abuse and matters of this nature very seriously. As a customer owned bank we have a duty to exercise reasonable care and skill in carrying out transactions for our customers.

Our staff are well trained to support customers experiencing financial vulnerability and identify instances of potential financial abuse. They are trained on and adhere to the following industry guidelines and approaches to financial abuse:

- Australian Banking Association Industry Guideline: preventing and responding to financial abuse
- Australian Financial Complaints Authority (AFCA) approach to financial elder abuse
- Customer Owned Banking Association Code of Practice

In addition to this, Bank Australia has a number of internal policies including:

- Financial abuse of a customer experiencing vulnerability guideline which provides guidance for the detection, handling and resolution of potential instances of financial abuse of a customer experiencing vulnerability.
- Guideline for AFCA related issues when dealing with the financial abuse of a customer experiencing vulnerability
- Financial abuse and misuse of powers of attorney guideline
- Reporting financial abuse to the NSW Ageing and Disability Commission
- Vulnerable customer management policy

Our Customer Support and Recoveries team have provided engagement sessions, training and guidance to support employees dealing with possible financial abuse and reporting vulnerability. We also have annual training for all new and existing staff on protecting vulnerable customers from financial abuse in the form of e-learning content.

Financial abuse can be seen by a number of departments such as customer facing retail and lending teams or financial intelligence. These teams are trained to detect and prevent abuse by recognising or identifying possible abuse and red flags via their interactions.

We can also detect financial abuse cases directly via our Customer Support and Recoveries team where a debt may have occurred, financial hardship applications, or where a joint owner is no longer contributing (economic abuse).

Any possible financial abuse cases are referred to a specialised Customer Care Team for further investigation and case management (if required) and recorded on the Customer Care register.

In complex scenarios customers are referred to our specialised Customer Care Team and may also be referred to a third party referral program for a wraparound support. We also provide information on state-based and national support service contacts for customers if necessary.

We assess instances of financial abuse on a case-by-case basis and our actions may include;

- de-banking of an offender
- debt waivers/fee waivers
- new account and services set up
- re-direction of services
- notifying third party authorities of concerns, such as state trustees
- monitoring of account transactions to mitigate further risk
- monitoring of account narrations

Our monthly reporting and quality assurance captures information for each case including staff empathy, referral service information and opportunities for improvement and coaching should the need arise.

In 2020 we updated our Account and Access Facility conditions to forbid use of our access facilities and services to send threatening, abusive or offensive messages in transaction descriptions to another person. Customers identified as having breached these conditions will have their accounts closed.

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

As of 20 June 2024, we currently have a total of 44 active cases of customers who have been identified and impacted by scams, elder abuse or domestic violence which have resulted in financial abuse. 28 of these active cases are recorded primarily as financial abuse.

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?

The main contributing factor to financial abuse is often accessibility and this is no different with financial products online. We have seen victim's internet banking, visa credit or debit card compromised when there have been unauthorised purchases online or when withdrawing cash.

On our website we have a dedicated section on financial abuse with resources and guidance for our customers: <https://www.bankaustralia.com.au/support/financial-abuse>. We also include information on how customers can lock down or restrict their products and services via online banking or on our app to mitigate further abuse.

We offer a range of ways for our customers to get in touch with us, by offering these options we hope to make it easier to report potential financial abuse and we can support more customers experiencing abuse. Monthly reporting of our calls and emails show that reporting of vulnerability is increasing, these cases are being managed and triaged by the Customer Care team.

Protecting our customers is our key priority and we know the landscape is always changing. For example, we implemented new measures to ensure our financial intelligence team can identify and report on potential financial abuse relating specifically to crypto currency and international investment schemes.