



Mr Ivan Powell
Committee Secretary
PJC Corporations and Financial Services
Parliament House
CANBERRA ACT 2600

By email: corporations.joint@aph.gov.au

Dear Mr Powell

AMP thanks the Parliamentary Joint Committee on Corporations and Financial Services for reaching out on the important issue of financial abuse.

This issue affects too many Australians and the financial services industry has an important role to play alongside government in protecting customers from financial abuse.

AMP takes this role seriously and is pleased to contribute to the Committee's Inquiry.

As a member of the Australian Banking Association, AMP has contributed to and endorses that Association's submission to the Inquiry and is confident that the submission stands for more general responses to the questions the Committee has put to us.

Below we have outlined responses more specific to AMP.

About AMP

AMP Ltd. is a financial services group with a strong focus on retirement, offering products across banking, superannuation, and financial advice among other services provided to corporate clients.

Of these functions the two that interact directly with consumers are AMP Bank, and AMP's superannuation funds.

AMP Bank is a small but competitive bank offering mortgages and transaction accounts. From the outset it has been a digital bank with no physical branches.

The overwhelming majority of our customers come to AMP Bank via a mortgage broker or an adviser. Our mortgage book accounts for approximately 1% of the market and is geographically centred around Sydney and Melbourne.

AMP's superannuation business manages approximately \$100 billion in funds across MySuper and Choice products for approximately 1 million members. For those members in the Choice sector, similar to AMP Bank, they are primarily originated via a network of aligned financial advisers.

Though customer origination is largely intermediated, AMP maintains robust customer service through our call centres and, when need is identified, prioritises access to extra assistance from our most skilled operators.

In the email you forwarded to AMP on 18 June you requested that AMP responds to three questions. Below is our response to each of the questions in turn.

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?

AMP has a sophisticated policy framework for identifying and responding to financial abuse that is aligned with industry best practice and reinforced by regular practical implementation and regular review.

Broader industry policies which AMP assisted in developing, and adheres to, include the Banking Code of Practice, Life Insurance Code of Practice, and the Insurance in Superannuation Voluntary Code of Practice.

Internally, AMP's overarching policy is the 'Customer Vulnerability and Accessibility Policy' which provides guiding principles for supporting customers requiring extra care, and interacts with other policies such as our Complaints Policy, ensuring full coverage of areas that may indicate financial abuse.

These policies are supplemented by practical initiatives.

For example, AMP has internal standards and Quick Reference Guides on topics such as Family Violence and Relationship Breakdown that are more practical in nature and implemented via mandatory training for all customer-facing staff.

AMP's Customer Advocate also plays an active role in raising awareness throughout the organisation through Customer Advocate Roundtables; monthly drop-in sessions with front-line teams.

To ensure AMP's practices and policies are up-to-date and fit-for-purpose, AMP participates in periodic reviews of industry policies, such as is underway with the Banking Code of Practice, and regularly reviews its own policies, such as with the Customer Vulnerability and Accessibility Policy which is reviewed biennially.

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

Across AMP's business units we have multiple customer service systems that each assist us to identify, 'flag', and escalate concerns that a customer is, or might be, experiencing financial abuse.

As we understand it, for AMP as for others in industry, financial abuse remains a comparatively nascent field of data tracking.

There is still much to be done across industry and government to coalesce around definitions of abuse and indicators, responses and support, information sharing, privacy and many other issues.

From our experience financial abuse often coexists alongside other hardship and is captured in separate data tracking and reporting.

As part of ongoing uplift in this area AMP, in conjunction with industry, is considering ways in which our data systems can better define, track and reflect 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 impact of the digitisation of financial services is an important issue.

While digitisation can empower consumers by enhancing decision making and ease of access, it can also empower those engaging in financial abuse if effective safeguards are not implemented.

This is an issue that remains iterative as new technology emerges, and it is important that industry and Government continue to work together to develop frameworks that protect consumers.

The key issue of digitisation as it relates to financial abuse is that it can make it more difficult to identify financial abuse through human behaviour, particularly if consumers find ways to work around ID protections.

However, there is also great potential for digitisation to add protections through the use of data analytics and increasing use of artificial intelligence that provides a greater ability to consistently identify patterns of financial abuse.

AMP plans to conduct an internal thematic review in Q4 2024 of the impact of digitisation as it relates to financial abuse.

As part of the review, we will be considering the increasing importance of transaction monitoring and the ability of smaller institutions to leverage industry collaboration and regulators such as AUSTRAC, and issues in superannuation around coercive control such as forced early release of superannuation, and withdrawal of unreserved superannuation, among many other areas.

While improved approaches to identifying abuse are critical, we will also be considering what improvements can be made to the support AMP can offer our customers, and how this may interact with industry and government responses.

As we have repeatedly observed with issues like financial abuse, or scams for example, our customers have products across many institutions and they are best served by a consistent approach across industry and government, and AMP will continue to play an active role in supporting that objective.

Once again, AMP is happy to provide further information as needed.

Yours sincerely,

Alastair Kinloch
Director of Government Affairs and Public Policy