

Committee Secretary
Standing Committee
Rural and Regional Affairs and Transport

Bank closures in regional Australia.

Dear Committee,

In the recent Hearing held on Tuesday, 16 April 2024 at Banksia Beach, Ms Wendy STREETS, National President, Finance Sector Union of Australia, addressed the committee, with some assertions that do not reflect the everyday workings of Post Offices around Australia. Ms Street took the *“opportunity to shine a light on why it's so important to keep skilled bankers in communities around the country, as they are a critical part of being able to identify customers who are at risk of financial abuse. In the last few weeks we've seen two significant events which were quashed by qualified bank staff who saved two customers from extreme loss via scams.”*

Ms Street further offered, *“Our members are skilled and trained in identifying potential scams. They're trained in coercive control, domestic violence and a whole lot of issues. Their questioning and alertness are a regular occurrence, which saves customers from being ripped off enormously. This type of service can't be provided by Australia Post outlets, nor can it be provided by internet banking. While Australia Post does a good job, we heard from the Australia Post representative here today that they are money in, money out balances. They're not banks. They are not skilled; they're not trained.”*

The LPO Group would like to provide some additional information which allows a much broader view of the above assertions in Ms Street's statements.

It is a sad reflection of the digital world that many of our community members are being left behind, or constantly challenged in the ordinary workings of the digital world. Scams are rampant and in every Post Office, every day, counter officers are faced with customers who are being scammed.

Most customers who use the Post Office for their daily or weekly needs have formed a strong community relationship with their local Post Office. They see the Post Office as a support centre, and it is a place of security for them to access numerous services, including checking potential scams. Post Office counter staff know these customers, and detecting scams in our communities is part of our everyday service. We see it every day, and we are very well informed, highly skilled, and far more up to date with the vast range of scams that are impacting our communities, than the average, or trained bank teller. Every few days we see a new scam.

Daily, we deal with multiple customers who have received potential scams via their mobile phones or land lines, via emails or letter, via social media, and also very sadly, family, friends or other contacts.

Often, we see the same people being repeatedly targeted, and now they are comfortable to return to the Post Office to check if they are being scammed again. Postal staff are highly skilled, and very informed of the countless ways that our customers are faced with being parted from their money or assets. We are constantly in training, and our training is constantly updated and put to good use. It is the collective and local connections that prevents most of these scams being successful, it is not highly skilled or trained banking staff that will be servicing the targets of most of these low lying and more common scams.

A devastating recent example for our community is one of our regular Post Office customers, who was undertaking a 'once in a lifetime' event that few people ever undertake. Due to conflicting instructions he received via email, and rather than risk making a serious error, he took his conveyancer's duplicate invoices for payment for his house deposit to his bank, so that he was sure he paid the \$460,000 to the correct account under bank guidance. He was unsure because he had received duplicate invoices, however with different account numbers, requesting the payment be made via electronic transfer. The bank teller was not highly skilled, nor trained in detection of fraud, because she advised the customer to make his own decision as to which account he should send the funds to and required him to sign a waiver to protect the bank against his decision, before she then dutifully sent the money, on his behalf, to the scammers. It is a shocking case because everyone in his local Post Office would have been able to tell our customer to get on the phone to his conveyancer and check why he had 2 different invoices, thus saving him the crippling experience of losing \$460,000 to a well-known, well documented and long-standing invoice scam.

This highly skilled and trained professional bank employee did not protect our customer from extreme financial loss, yet his local postal counter officer would have.

Local connections, in local communities, is the way to build safety for every layer of members in our communities, regardless of the skill or sophistication of our members. Talking to each other and having access to face-to-face services and support is the best defence for all of us. It is the strength of our community network that is the greatest defence for all, reducing social isolation and opportunities for digital scamming, and will enable all of us to have more secure lives where we choose to live.

Unfortunately, the banking sector is profit driven, and without Government intervention requiring some essential community service to be a mandatory component of a banking license, even a token element of community service is not likely to ever be a focus for such a profit driven sector.

It is far more likely that the most effective way to provide essential and supportive community services for those that need additional support, where they chose to live, can best be delivered by a government owned and managed entity, such as a Postal Bank, charged to service those needs for communities that are spread out across our entire country, ensuring services for all.

Yours faithfully
Angela Cramp
Executive Director
LPO Group
27 April 2024