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Good evening Ivan,

Please find below (in red) , G&C's response to the questions posed by the Inquiry. The responses are tailored to our scale and size. Please let us know if you need further details or have any other questions.

Regards

[Redacted]

[Redacted]

Chief Operating Officer

[Redacted]



From: Committee, Corporations (SEN) <Corporations.Joint@aph.gov.au>
Sent: Tuesday, June 18, 2024 12:36 PM
To: G&C Mutual Bank <info@gcmutual.bank>
Subject: Senate Corporations and Financial Services Committee - Inquiry into the financial services regulatory framework in relation to financial abuse

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18 June 2024

G&C Mutual Bank Limited

Sent via email: info@gcmutual.bank

Cc:

Dear G&C Mutual Bank Limited

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

The Parliamentary Joint Committee on Corporations and Financial Services (the committee) is currently undertaking the above named inquiry into financial abuse. Information about the inquiry, including its full terms of reference, are available on the committee's [website](#).

On behalf of the committee, I write to you, as a provider of financial products or services, to request your response to the following questions:

Background

G&C Mutual Bank has been in operation since 1959 and primarily provides retail banking services to approximately 20,000 members. Established as the Public Works Department Staff Cooperative, G&C Mutual Bank Limited has since grown to be one of Australia's strongest member-owned financial institutions. Numerous mergers, solid growth and consistent performance underpin G&C Mutual Bank's success. Apart from transaction accounts to its members, the bank also provides mortgage backed loans, personal loans and credit cards. Having a physical presence in NSW and Victoria, the digital growth of banking services has contributed to expand its customer base across Australia. G&C Mutual Bank does not have any operations outside Australia.

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?

G&C Mutual Bank subscribes to the Customer Owned Banking Code of Practice (COBCOP) and has implemented steps in compliance with the code requirements with regard to domestic violence, elder and financial abuse. More specifically, we have taken the following measure in relation to identifying and dealing with financial abuse

- G&C's Hardship Policy provides details of requirements in terms of identifying and dealing with vulnerable members
- G&C educates our members via regular newsletter and website articles in relation to financial abuse, how we monitor for, manage and deal with it and disclosing the same in a safe manner
- G&C Mutual Bank through its latest updates to its Terms and Conditions (T&Cs), has committed to including terms to our account/services that cannot be used as a medium of abuse. Members (customers) who operate in contravention of relevant T&Cs will be warned or exited from the Bank. Where warranted, we will also report suspicion of financial abuse to law enforcement.
- The frontline team (those having face to face interactions with members), those at the Call Centres and the teams that deal with financial hardship and fraud matters are regularly trained in *financial abuse 'red flags'* to identifying potential instances of financial abuse. Importantly, such matters are notified to the centralised Fraud team to investigate, assess and report, where required.
- The Fraud team is well versed in carrying out transaction analysis (presenting with unusual trends) and then having an informed and empathic conversation with the impacted member. G&C Mutual Bank through its interactions with customers and employees has established that a centralised model of dealing with financial abuse works best, as the centralised team, is aware of nuances and complications of such cases having built the knowledge base and experience.

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

To date, G&C has not had significant cases in relation to members who may have faced or are facing financial abuse. We have had a small handful of instances where members were faced with romance scams and were dealt with at our branch, which were subsequently reported to authorities.

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?

Instances where branch personnel have challenged transactions initiated by members in the company of their caregivers or friends (romance scams) has led to discovery of abuse and subsequent reporting to appropriate

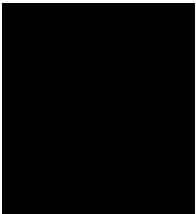
authorities. However, such cases of abuse and also those related to emotionally vulnerable (romance scam) customers are relatively easier to discover when the customers present themselves physically at the branches.

Where financially abusive (and fraudulent) transactions are done online or over the phone, G&C has deployed anti-fraud systems with a several smart risk-based rules which are able to reduce the speed of execution and provides an opportunity to review and assess the transaction. However, given the increasing shift of financial products to online platform and related volumes, the inherent limitation of the banking applications makes a range of sophisticated abuse more difficult to spot. Members themselves are not able to comprehend that she/he has been subject to financial abuse and/or reluctance to report the same, particularly when family member(s) are involved. The speed of execution also limits the ability to respond to an abusive transaction. G&C recognises that keeping the identification rules dynamic and aligned to member expectations is key to success and therefore continues to invest in related technology.

I would be grateful if you could provide a response to the committee, via email to the address below, by **close of business Wednesday, 3 July 2024**.

Please note that the committee may wish to treat your response, once received, as a submission to the inquiry, and to publish it on the inquiry webpages. General information on the making of submissions to committees can be found [here](#).

Should you have any questions in relation to this matter, please contact the secretariat.



Yours sincerely,

Ivan Powell
Committee Secretary

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