

FINANCE SECTOR UNION OF AUSTRALIA.

MEDIA RELEASE

3 October 2016

BANK WORKERS DEMAND ANSWERS FROM BANK BOSSES -- AND A ROYAL COMMISSION

The Finance Sector Union of Australia (FSU) says Prime Minister Malcolm Turnbull's solution to widespread community concern, by calling bank bosses in for questioning before a Parliamentary committee, won't adequately deal with the banking industry.

Acting National Secretary Geoff Derrick said only a royal commission into banking would have the powers to compel witnesses, subpoena documents and properly examine problems in the banking sector.

"Calling bank chief executives to Canberra isn't an adequate response to the problems of conflicted remuneration, sales targets, management culture, understaffing, offshoring, customer migration, branch closures, job security and a work culture that creates stress for bank staff," Mr Derrick said.

"This committee doesn't have the resources or the time to properly drill down into the causes of the current problems which have seen a loss of community confidence and trust in the banking sector," he said.

"Bank customers are well aware of the culture that treats them as a 'sales target' whenever they engage with their bank."

"And bank employees want to deliver service to their customers instead of being under constant pressure to just sell extra banking products, credit cards and more debt."

Mr Derrick said the recent scandals involving Wells Fargo Bank in the USA

involved some scarily familiar management practices and culture for those familiar with the management approach of the Australian banks. While a royal commission was the best chance for reform of banking culture and to regain support of customers and bank workers, the Parliamentary Committee should take an in-depth look at the banks. A once a year chat with bank bosses is clearly inadequate.

“Customers and employees want a strong and resilient banking sector because that’s good for the community and the Australian economy,” Mr Derrick said.

“But that will take a lot more than this Coalition-dominated committee has on offer.”

“What we need is change that starts at the top and stops the blame shifting to individuals and front-line workers. This was the first response from the Wells Fargo executives after their problems were exposed and it was manifestly unfair and inadequate.”

Finance Sector Union members have submitted more than 200 questions on a range of issues that they think need to be asked of bank chief executives.

“This demonstrates the desire of the banking workforce to see improvements in the industry,” Mr Derrick said.

Below are a selection of questions from FSU members on key issues.

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Targets

1. I realise the business needs to make money to stay viable, but why do the frontline staff in branches feel so stressed about their targets? Why should their direct managers be threatening them to achieve? Shouldn't the mentality be just to look after each individual customers needs regardless of whether it's a service or revenue making interaction?
2. Why is there so much scrutiny of managers and staff in branches and pressure regarding sales, insights, financial health checks, best conversations and getting customers to do their banking online and out of branches, yet when our online systems don't work, atms break down - which apparently is the fault of staff - it is not a reason for not meeting our targets that week. Note: our branch atms are outside in the cold and the shelter currently provided ensures customers get dripped on when raining.
3. Who is going to be the first CEO to acknowledge that, as long as profit is made, nobody looks too carefully how targets are met? When will they stop using meaningless (subjective) Customer Experience Surveys to claim that their customers are satisfied?
4. When targets are set across the board for lenders to achieve and one fails to achieve the target for their job level, yet beats 50% of his peers, how do they justify implementation of Performance Improvement Plans and threats of job loss?
5. I have been told that I need to out perform in my sales targets. Its been suggested that the manager sit with me and observe. I objected to this method of coaching. I asked instead that I sit an observe a personal banker that is out performing. This seemed to silence the manager and she has not since brought up the matter. Why do you think this is so?
6. Why with the continued enhancements of internet banking giving customers another reason not to attend a branch, why then are our targets remaining the same or in fact increased?
7. Why can't I just go to work without the stress of having to worry everyday if I'm going to make my target for the week of home loans ,insurances, credit cards and then be ashamed in front of my

colleagues when I have to update my score board and every colleague can see my failure, I feel it is the reason I have to take so many headache tablets every day at work and why I clench my jaw when I sleep, no more stress of targets?

8. Why is a need in the targets only a sale of a new product or service? Shouldn't a need also be a good outcome of a service request too i.e. changing loan types looking into fraud any other investigation that the customer comes in to sort out that is met?
9. Are the banks planning on dropping the sales targets - so bankers can focus on real financial solutions for our customers or will the targets continue - forcing staff members to sell products that count towards our scorecards instead of customer satisfaction?
10. What percentage of staff achieve their targets?
11. On the frontline, staff are pressured to meet sales targets, increasingly unattainable due to their successful migration of customers to digital banking. Around the world, it is now recognised this the incorrect model for banking and customer retention is the true source of revenue. I do not have full control over who sits in the chair opposite me, therefore, very little control over their banking needs. Hours can be spent on maintenance and repairing the reputation of the bank, fixing errors. This work is not acknowledged and staff are then punished with poor reports and badgered about how they could have turned this "opportunity" into a sale.

Customer Migration

1. How can they constantly preach to Bank staff that customers are important and staff should provide great service when the main function of staff has become to direct customers to "Self Service Streams"?
2. How many customers actually said they wanted branches to become "Self Service Centres" with few actual human staff?
3. How the hell are we to get our revenue with no customers coming into the branches? This is what you wanted, but we still have to get

the same targets.

4. How can a multimillion \$ company have branches in the suburbs of Brisbane closing for lunch when you say you care for the customers?
5. We have to make calls most time people are not at home and don't ring back, we have to stalk people to try and get revenue. Why is this?

Conflicted remuneration

1. Customer confidence and trust in bank staff would increase if product recommendation was based wholly and genuinely on what's best for the customer, rather than hitting aggressive sales targets set by executives earning huge bonuses which hinge on those targets being met. Would the CEO agree that this is an accurate statement, and that by restoring customer trust in the intentions of the bank employee they are relying on, good business outcomes will follow?
2. The new Westpac score cards from 1/10/16 require Tellers to still refer two clients per each day to a business partner as a minimum and personal bankers still to meet a minimum number of "needs met" or in other words "products" and a minimum number of "Customer Needs Profiles" or in other words "recorded customer conversations " and a minimum number of "business partner referrals" or in other words "products" each week just to be graded as effective performers to keep their job and meet a minimum to be considered for some or all parts of a bonus... along with a few other gate openers which are out of their control to a certain degree. Is Westpac committed to removing conflicted remuneration or not?

Staffing, Job Security & Off Shoring

1. Are there any plans for further job cuts on the table anywhere in the CBA?
- 2 I would like to know why the banks continue to look after the shareholder before they look after their own staff as we are the ones keeping the wheels spinning in the business. They continue

to cut staff and this places a lot of stress and opens up the remaining staff to making errors as we are constantly being pushed to do more sell more. When you are constantly busy it can be extremely hard to make sure you are following procedure and not putting the customer at risk of errors occurring. If the banks were truly doing what is best for the customer why are we constantly ramming new products c/c home loans down there throat.

3. Many issues arise due to the offshores departments. Countries are now on-shoring some of these departments after realising the cost is higher once you factor in the resources utilised to repair errors and the firm's reputation.

4. ANZ have off-shored many Melbourne IT jobs to India on the grounds that pay rates were less there. This resulted in many Melbourne redundancies over the last 4 years. However, when it became clear that productivity dropped it was necessary to bring those Indian colleagues that then performed the off-shored Melbourne roles to work in our Melbourne offices, in order lift their productivity. Would you agree you have made redundant, workers whose jobs are now being performed at the same location (Melbourne) by overseas workers at reduced rates?

Follow up questions:

How many IT roles in both Melbourne & Bangalore in both 2011 and 2016?

How many ANZ IT roles in Melbourne being undertaken by overseas workers on work permits in 2011 and 2016?

What is the average pay for the same roles in 2011 and 2016?

5. Is there a plan at ANZ to fix the failure to attain acceptable IT productivity levels of off-shored IT roles by out-sourcing those roles to IBM? Are you comfortable relying on an organisation (IBM) that cannot deliver the census and is failing to pay Canadian civil servants?

6. ANZ's individual bonus system, combined with management failure to plan strategically, has led to many inconsistent and conflicted attempts to improve services that are rarely seen through to their conclusion. Would it be better to have team based bonuses and managers who are set longer-term strategic challenges?

7. How can a bank call itself Australian when it outsources jobs to cheaper overseas labour? Where's the transparency to the customers on who is benefitting from banking with the big 4? I work in one of these companies and our team is made up of 30 people who are employed by the bank and 500+ in India. Wouldn't it be great to have those 500 people in Australia and feeding money back into the economy? Decentralisation of back office procedures could help to bring an economic boost to smaller regional towns.
8. Are staffing levels at an all-time low at Westpac?
9. What is Westpac going to do with addressing the current staffing levels, which in some regions is at a critical level? There is no sickness cover, no holiday relief and vacancies are not covered for months and months on end. We have had a vacancy since May, it was filled by a new to bank in September but will take several months for the new staff member to be fully accredited and able to operate on their own. There is never relief for bank managers and the expectation that personal banker step into the role, cover all teleconferences, meet compliance yet still cover their own role and meet targets is beyond expectations. This certainly adds pressure and stress to all the staff. Branch targets and scorecards are not adjusted.

Branch Closures

1. With the incredible profit that NAB makes every year why they have started to again close branches and reduce opening hours of branches. In our area alone Sawtell and Alstonville are closing, and Kygole, Mullumbimby, and Woodenbong all are having their opening hours reduced. How many more branches are in line to close? Is NAB only looking to be a presence in the cities and not care about regional and rural Australians?
2. The four banks are closing branches at an alarming rate, this is affecting customers and the community. By taking a bank from a small community you cause the shopping centre to die and become a ghost town. The people that joined these banks some 20 years ago when they borrowed to owned businesses and

needed home loans and are the ones that made the bank what it is today are now pensioners but still need the old way of banking. I think the banks owe the community to keep these small branches open once the branches go so does the brand. At what stage do they stop closing branches? And reducing staff hours?

Culture

1. Which CEO is going to be the first to take responsibility for the cesspits they control and not hide behind the "few bad apples" defence and not let lower level staff take all the blame?
2. What guarantee can you give staff that all matters reported via 1800 speakup are independently investigated and appropriate disciplinary action will occur if the report is substantiated?
3. How many staff need to leave and/or go on stress leave before you will listen to front line staff over your marketing and sales strategy staff, who have rarely if ever worked in a customer facing role in finance? I would ask if someone needed to die, but I have already lost a colleague to suicide.
4. When will the ANZ bank start caring about the health and well-being of their staff again? Having worked for this company for 32 years, I have never seen so many people suffering stress and health issues due to the pressures faced in their day to day jobs, due to lack of staffing and unrealistic targets.
5. Employees undergo bullying and harassments in work places very badly. According to the bank policy every employee is safe from bullying and sexual harassments. There are employees gone really depressed and undergo medications and cannot go to the same work place but ANZ has not been able to help those employees at all yet.
Do you know about them? What do you tell about that type of situation and what are you going to do about it?
6. Why should our jobs be so stressful and why should we be so micro-manage by our managers? Customers are picking up that

we are sales driven and not customer service orientated.

7. Currently banks are experiencing a lack of trust in the community. I believe there is also a lack of trust in banks by their employees. I would like the CEO's to be asked the following questions, Do you wish to attract and retain quality customer service focused staff ?

Are you concerned that staff do not want to step up into more senior positions due to unrealistic targets and micro managing? In our branch our focus has remained firmly on doing the best thing for our customers.

We feel like we must fight against the bank – our employer - to continue to keep our customers best interests at heart.

We note that the sellers who are held up as champions to aspire too - often turn out to be using dodgy methods to achieve and surpass their targets.

I believe our customers in our regional town trust us as they know us and they know we put their best interests first.

Why don't you visit a regional branch and see how we develop and maintain our customers' trust?

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