

Financial Services Regulatory Framework in Relation to Financial Abuse

Finance Sector Union

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Finance Sector Union

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Background

The Finance Sector Union (FSU) is a registered industrial organisation under the *Fair Work (Registered Organisations) Act 2009*. The FSU represents members in the banking, finance and insurance industries (finance sector) in Australia. The finance sector consists of approximately 541,500 employees nationwide (approximately 4% of the workforce) with women making up approximately 48% of the total number of workers within the sector¹.

FSU members work at the coal face of banking and are often the first point of call for customers who are experiencing financial abuse. This submission draws on the experiences of FSU members from across the finance sector, including the big banks, mid-sized banks, mutual banks, insurance companies and superannuation funds. The workers whose experiences we draw upon live in every state and work in a range of finance jobs, which include:

- tellers
- customer service officers
- customer banking specialists
- senior banking consultants
- branch managers
- deceased estates case officers
- super and pension officers
- claims managers and assessors
- financial planners
- member relations officers
- financial support assessors
- financial crime compliance officers
- personal bankers
- indigenous banking specialists
- forecast planners
- account managers
- contact centre operators
- relationship credit managers
- home and investment team managers
- members of specialist teams servicing vulnerable customers
- personal bankers
- credit consultants
- technical consultants

¹ [Financial and Insurance Services | Jobs and Skills Australia](#) [accessed 24.01.2024]

What is the impact of the shift of financial products to online platforms?

FSU members work in a range of financial institutions, some that have always had retail bank branches and others which have never had any face to face or a 'bricks and mortar' presence. All these workers raised concerns about the ability of older Australians to adapt to technological changes and understand how easy it can be for family members to sign up elderly family members and relatives to loans without their knowledge. For example:

"We have always been online so no change. However, as people get older they lose their tech savvy nature. It's also easier for family members to sign up their elders for personal loans/credit cards without much oversight. Then the older person is stuck with a debt they have no idea how to access, which isn't getting paid, and little choice to speak with someone face to face".

Finance workers describe concerns both for older Australians who may provide internet banking details to a seemingly well-meaning relative, who then goes on to take advantage of an elderly relative by accessing their bank accounts over several months; as well as intimate relationship abuse whereby a victim is unable to access their own money to escape a perpetrator who is able to use online banking to monitor their victim's transactions.

"When talking about financial abuse online platforms make it way easier for abusers to get control of someone's financial life and stalk their financial activities. It used to be that you have to sign someone onto an account in branch and there would be checks and balances to make sure financial abuse is not taking place but now an abuser can get easy access by having the login information, which lets them see all transactions and to send someone's money to the abusers account more easily. Digital also makes it hard for a victim to use their money to get help because all transactions can be easily seen and monitored".

Workers have also shared stories about how online platforms make it much more difficult to recognise customers who are experiencing vulnerability and for vulnerable customers to use online platforms to request assistance.

"It can make it harder to reach out for help when going through this kind of abuse. If they can only go online or call someone, they might be not have the freedom to just go online whenever they like without negative effects from the abuser"

Experienced branch workers get to know the members of their communities well enough to be able to pick up on non-verbal cues and/or body language to determine when a customer is not a willing participant in a transaction.

“It’s harder to track a relative with a power of attorney who is mishandling funds because there is no way to ask questions about a member when everything is online - it also removes the ability to build relationships with families to know if someone is vulnerable - with branch services branches can detect if someone thing ‘feels off’ based on an emotional reaction from knowing a member, opening up the lines for more questions - when it’s online and through online banking you may not have the same visceral reaction you have face to face”.

The loss of face-to-face banking services in a local community leaves vulnerable Australians more vulnerable to financial abuse. The Australian finance industry is robust and profitable and must not abandon the provision of face-to-face banking services.

Recommendation 1: That banking be declared an essential service

Recommendation 2: That Australian banks who have a retail branch network be mandated through regulation community service obligations to keep bank branches open.

Employee Training

On training, workers have said:

“We have had training on Elder Abuse and I’ve had previous training on Domestic Violence however all escalation methods and solutions for non-life threatening instances involve attending a branch. We have not been giving alternatives or other solutions as at yet”

Finance workers and the industries in which they work are highly regulated and since the *Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* the emphasis on compliance has been heightened. While it is undeniable that finance workers need to understand their obligations and be compliant with legislation this can sometimes mean that training in other areas is not up to standard.

The FSU members who shared their experiences of managing financial abuse came from a variety of organisations and job types which gives us an overview of the kind of training that is more effective and the kind that is provided to merely ‘tick a box’.

The characteristics of workplace training that FSU members reported were effective took place over more than a single session, included face-to-face facilitated sessions, was trauma informed and included wraparound services to support staff who are dealing with customers experiencing financial abuse.

Unfortunately, this type of comprehensive training seems to be limited to specialist teams and is not provided to the majority of frontline staff, for example, ‘The training was too basic and did not explore the realities or nuances of elder/spousal/disability financial abuse as I have witnessed them’. Much of

the training on how to identify and assist customers who are suffering from financial abuse are online modules that workers are not scheduled time to complete but are expected to complete in between customers or calls. One finance worker reported that the questions they were asked to complete the module didn't match the content of the module and some of the answers were incorrect due to system glitches.

“E-learning [is] Not effective as it's always rushed, to be completed in between customers and no time to actually digest and understand training”

Other workers report that while they do receive training it is ineffective because the training is not put into place by the business. Workers report that management seems to be more concerned about the potential risk of fraud to the business than the impact on customers. One worker shared this concern about how it seems that their fraud protection systems take priority over the obligation to assist victims of financial abuse:

“One of the things I'm most worried about as a processor of financial hardships specifically is that an administration rule that we have is to contact any new details provided to us. For example, if a client submits a financial hardship claim with an updated email, we should contact the updated email address. However, the contact centre rule is to contact the previous email address. I fear that this could alert abusers in domestic and family violence situations (including financial abuse). When we've brought these concerns up, we get overruled due to any potential fraud”.

When the FSU asked these workers if they were provided with wraparound support to support their own mental health while dealing with victims of financial abuse more than 50% said they were not.

What additional training should be provided?

“Regular group debriefing sessions. Ability to transfer to a non-client facing role, without needing to interview, if you are feeling overcome by the role. Especially if your personal circumstances become difficult (i.e., relationship break up, experiencing DV etc). Training on what to say when you hear difficult things”.

Finance workers overwhelmingly want additional training to help them support their customers who are victims of financial abuse. The frontline workers who are not in specialist teams do not believe that the training they are receiving is sufficient to help them to identify, manage and refer customers who are suffering from financial abuse. It is a concern that many of the frameworks that seem to be in place for frontline workers prioritise managing the risk of fraud to the organisation above believing and supporting vulnerable customers.

Finance workers want their employers to provide them with training that:

1. Is face-to-face and scheduled during working hours.
2. Includes real-life examples including how to identify financial abuse for vulnerable groups including older Australians and customers from non-English speaking backgrounds.
3. Includes how to approach customers who may be at risk of financial abuse or who workers suspect is already a victim of financial abuse.
4. Is run by specialists in this area rather than online modules.
5. Provides workers with wraparound support when dealing with financial abuse cases.
6. Includes opportunities to ask questions, role play examples and refer customers to appropriate services.

Recommendation 3: That financial abuse training be subject to minimum standards

Conclusion

Australian finance workers are on the frontline and have the opportunities to identify and prevent financial abuse and have expressed that they genuinely want additional training to help them better identify financial abuse and support their customers. Finance workers in retail bank branches are in a unique position given their roles to identify financial abuse, which should not be wasted. The Australian finance sector consists of highly profitable industries and can do so much better to support both vulnerable Australians and the workers best placed to identify financial abuse.