

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Commonwealth Bank of Australia

CBA56QON: Mr SIMMONDS: Can I turn to the issue of small transactions being used as a messaging service, particularly around domestic violence situations and things like that. It's something that is of significant concern for me. What steps are the bank taking to identify these kinds of instances?

Mr Comyn: You may be aware that we identified this last year, and one of the team, specifically in our vulnerability area, which David looks after, identified this. We did a lot of work. As your question would suggest, we were horrified to see some of the examples of misuse of our payment services where people were sending abusive and threatening messages. We've done a significant amount of work since then, including amending our terms of use, working closely with the industry to see—and I know that other financial institutions are just as passionate about making sure that this sort of behaviour is eradicated. We've prevented or progressively prevented customers from being able to use certain words as part of the message description, both in our ATMs as well as into our mobile banking app. I don't know, David, if there's anything you want to add?

Mr Cohen: I'd just add this. It's a piece of work we're particularly proud of, because, as Matt mentioned, a member of the team noticed this in one instance. When we dug into it we were horrified to see the extent of it. We looked over a three-month period. We found 8,000 instances where, effectively, violence was being threatened or there was some form of domestic abuse being threatened through the transaction description. That's quite a big number in a short period of time. What we've done since then is we thought it important not just to take steps ourselves to prevent that, such as changing the terms and conditions. We've blocked those sorts of descriptions on our Intelligent Deposit Machines but also in the process of enhancing the blocks that we've got around our NetBank, internet banking and our app, and, most importantly, in making sure the industry as a whole know about it. We did take it to the ABA and it's been really pleasing to see the take-up by other financial institutions who have also become aware of it, have looked into it and are now taking steps as well.

Mr SIMMONDS: I appreciate that, and those are horrifyingly large figures. What kinds of words are you tracking? We heard from ANZ

that they are, essentially, tracking swear words. But what about a situation where somebody sends a message like, 'I will kill you'? Are those kinds of things picked up by the bank?

Mr Cohen: Yes. Those are exactly the sorts of things that we're building, at the moment, into, effectively, a dictionary or phrase library of offensive or troublesome phrases and words, and, yes, it does go to threats of violence. It goes to swear words but also just very derogatory names that we see coming through these descriptions. It's quite a broad range. It's not just swear words.

Mr SIMMONDS: So you're building this capacity. What is your view of your ethical responsibilities? Is it to simply cut off the customer from saying those things, is it to cut off the customer's access to be a customer or is it reporting it to the police, in terms of a threat of violence?

Mr Cohen: We have changed the terms and conditions. One of the impacts of that is that if we have customers who abuse our payment systems in order to perpetrate violence or to make threats of violence then we can switch those customers off as customers. So they can no longer bank with us.

The question of reporting to authorities is a slightly more difficult one. We don't at the moment and it's rather difficult to implement real-time monitoring of every transaction that goes through. From our point of view, we're starting off on the basis that, first of all, we want to stop the abuse, where we can. Secondly, we want to stop those customers being customers if they perpetuate it. The step that you're referring to, which is going the next step, is probably something that we would have to look at; it's just the practicality of doing that. I understand the desirability, because it's a serious problem that needs to be stamped out.

Mr SIMMONDS: Okay, that's much appreciated. I'd welcome any information which expands on your answers which you could send me and the rest of the committee on this particular issue...

Answer:

Since discovering and analysing abusive messages in transaction descriptions in September 2019, CBA has worked with experts, community partners and law enforcement to ensure they are aware of the issue and to help us to develop responses that will prevent abuse and support recipients, while not creating unintended consequences. In particular, we used the e-Safety Commissioner's Safety by Design framework to guide us.

We are taking steps to address the issue of technology-facilitated abuse to provide a safer banking experience for customers:

- We updated our acceptable use policy in May 2020 to say that any customer found to be using NetBank or the CommBank app to engage in unlawful, defamatory, harassing or threatening conduct, promoting or encouraging physical or mental harm or violence against any person may have their transactions refused or may have their access to digital banking services suspended or discontinued.
- In September CBA commenced blocking transactions that have offensive words in the transaction description. We will continue to add this functionality to different payment types and channels as we understand the impact of the blocks.

We have also taken steps to make banking safer across the industry. We have shared our technical analysis of the transactions with the Australian Banking Association. We have also raised the issue with the Fintel Alliance and the New Payments Platform Company.

We believe there is an opportunity for governments to make it an offence to send abusive, harassing or threatening messages via a bank account. It was clear that some of the messages related directly to domestic and financial abuse. While we are taking action to prevent these messages and to support our customers to bank safely, perpetrators find many ways to abuse. It would send a strong message to make it an offence – and make it clear that this behaviour is unacceptable.