



**SOUTHERN CROSS  
CREDIT UNION**

Website [www.sccu.com.au](http://www.sccu.com.au)

05 September 2024

Mr Ivan Powell  
Company Secretary  
The Parliamentary Joint Committee on Corporations and Financial Services  
By Email : [corporations.joint@aph.gov.au](mailto:corporations.joint@aph.gov.au)

Dear Mr Powell

Thank you for your inquiry regarding our approach towards management of financial abuse. We take the safety and well-being of our customers seriously and have implemented policies, systems and procedures, to safeguard against financial abuse.

**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?**

SCCU subscribe to the Customer Owned Banking Code of Practice (COBCOP) and our compliance frameworks ensure alignment with the requirements of the code, including those that relate to dealing with vulnerable customers. We maintain a policy specific to dealing with vulnerable customers that extends to understanding the types of financial abuse a customer may face, how to recognise the signs, and how to approach conversations with victims, whilst maintaining privacy and confidentiality. We also reference resources available to assist customers navigate these circumstances.

We have detailed processes for accepting and acting upon Powers of Attorney and Financial Management Orders, with all passing through an independent review by our risk team before acceptance. Such arrangements are subject to increased monitoring for signs of unusual activity.

We have detailed policies with regard to credit facilities to ensure our lenders and brokers can evidence that any joint parties to a loan are receiving a benefit, to assist us in identifying any potential financial abuse before it occurs. Guarantors are also subject to a strict process of seeking independent legal and financial advice before entering a guarantee. We maintain a Code of Conduct which requires each employee to act responsibly and ethically, reporting any suspicious activities that may constitute financial abuse.

We maintain internal processes for flagging and reporting any suspicious activity to senior risk team members for thorough investigation, and subsequent action.

All employees undergo regular detailed training on how to recognise and respond to signs of financial abuse, which accompanies our Vulnerable Customer Policy, to ensure there is a clear understanding of signs of financial abuse, along with the processes and tools to assist customers.

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

We have a financial crimes program that assists us to manage fraud and money laundering/ terrorism financing (AML/CTF). This program also allows us to gain visibility on issues such as Power of Attorney misappropriation and unusual account activity. Key components include:

1. Transaction Monitoring program to review all transactions processed daily across all of our channels. Through a set of sophisticated and dynamic rules we are able to detect those transactions that need secondary review.
2. Customer Risk Profiles allow us to flag individual customers, or cohorts, where we suspect additional oversight is required on their account activity on an ongoing basis.
3. Compliance with reporting of suspicious matters to AUSTRAC.



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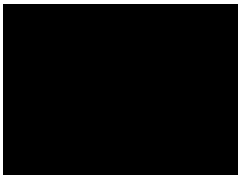
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Whilst we have had limited reported instances of financial abuse, our processes regularly flag unusual activity which we investigate, and where appropriate discuss with customers. We also ensure enquiries we make, and conversations we have, remain independent of appointed parties that may present as influencing or coercing our customers.

**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?**

As the industry evolves and there is less reliance on face to face banking through traditional branch models, we are seeing a significant shift to using online channels. These channels are subject to the same controls across the business, and whilst there may be an opportunity for more anonymity, we still monitor all account activity as detailed in our earlier responses, to assist us in detecting unusual or abusive activity.

Yours faithfully



Chief Risk Officer  
Southern Cross Credit Union