

3 July 2024

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Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600
By email: corporations.joint@aph.gov.au

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

Dear Mr Powell,

Thank you for the opportunity to comment on the *Inquiry into the financial services regulatory framework in relation to financial abuse*.

MyState Bank Limited (MyState) is headquartered in Hobart, we operate seven branches across Tasmania and serve approximately 170,000 customers nationwide.

Given the impact of financial abuse, we are very aware of and well informed on the issue.

I've responded to your specific questions below.

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?

MyState has a zero tolerance for financial abuse as outlined in our *Terms & Conditions for Deposit Accounts & Electronic Banking*. This policy is supported by the following:

- A fraud risk team, comprising specially trained staff who provide guidance to the business on managing financial abuse;
- A procedural framework that outlines how we identify potential vulnerabilities and take appropriate action to mitigate the risk of financial abuse. Our *Vulnerable Customer & Financial Abuse* procedure includes escalation pathways allowing for referrals to external support services and the police for further investigation;
- Vulnerable customer alerts are recorded on our system, with the customer's consent, to aide future interactions;
- Ongoing staff education enables our people to identify instances of potential financial abuse and provide appropriate support to customers; and
- A monitoring program identifies potential abuse embedded within transaction narrations conducted via digital banking applications.

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

MyState has detected 15 instances of suspected financial abuse over the last two years. Our fraud risk team was actively involved in managing a number of the more complex cases, two of which were subsequently reported to the police.

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 a smaller bank, MyState maintains a strong connection with our customers and local communities. We continue to invest in digital capability to meet the growing customer demand for online banking services. This includes investing in digital risk management capability to improve the identification and remediation of suspicious customer transactional behaviour that could result in financial abuse.

Yours Sincerely



Brett Morgan
Managing Director & Chief Executive Officer