

10 September 2024

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](mailto:corporations.joint@aph.gov.au)

Dear Committee Secretary,

**RE: The financial services regulatory framework in relation to financial abuse.**

Teachers Mutual Bank Limited (TMBL) is one of the largest customer-owned banks in Australia, serving over 240,000 members and their families within the Education, Health and Emergency Services sectors for over 50 years. Our purpose, 'Banking for Good, for those who do Good', drives everything we do. At TMBL, we are committed to addressing financial abuse with the utmost seriousness. We recognise the profound impact that financial abuse can have on all individuals, particularly already vulnerable members of our community.

In relation to the three questions posed by the Committee in your correspondence dated 18 June 2024, we provide the following responses.

**(1) 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?**

Our approach to safeguarding vulnerable individuals and those experiencing financial abuse is designed to improve customer welfare and enhance customer trust and confidence, implemented through our:

- Vulnerable Persons Policy, reviewed annually
- Vulnerable Persons Framework, reviewed annually
- vulnerable persons e-learning training for all staff, completed annually
- ongoing frontline staff training: targeted coaching and training for all member facing staff, contact centres and non-member facing staff in Credit and financial control roles.
- Powers of Attorney Guidelines, and
- dedicated Customer Care team, who are trained to provide tailored assistance and guidance, ensuring that those at risk receive the support they need.

Our approach guides our staff to identify potential incidents of financial abuse and to manage members' needs with sensitivity and tailored solutions. The Bank employs a number of key processes in support of this:

- **Documented escalation process:** Frontline staff are trained to employ discreet questioning techniques to identify members who may be experiencing financial abuse. If financial abuse

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is suspected, they follow a documented escalation process to our dedicated Customer Care team and Customer Advocate where, following an assessment, a restricted access file is created to manage member interactions that relate to vulnerability or abuse. Frontline Staff are trained to seek additional guidance from a supervisor or Customer Care team member, should they be uncertain of a member's situation.

- **Monitoring transactions:** We actively monitor transactions and their descriptions for signs of verbal abuse, which can serve as early indicators of potential financial abuse. We do this through our abusive word reporting and suspicious matter reporting.
- **Call monitoring:** Using our AI-based speech analytics tool, Daisee, we monitor customer call interactions and track for indicators of potential vulnerability, including words and tone.
- **Flagging vulnerable members in our core banking system, Ultracs:** Our Customer Care team are trained to identify members in potential financial abuse situations. By flagging vulnerable members and noting their circumstances, we ensure that all staff interacting with them are informed and can offer the appropriate discreet support.
- **Power of Attorney (POA):** We have added protections through the application of our Power of Attorney guidelines where we employ more stringent oversight. A member services team can refuse a POA or escalate abuse of powers, should they suspect coercive control or financial abuse.
- **Connecting with third-party agencies:** Connecting members with external support services demonstrates our commitment to assisting vulnerable members beyond the scope of our banking services. We provide our staff with a comprehensive contact list that includes details of organisations offering various types of assistance. This list features contact information, categories of support (financial abuse), and the procedures for reaching out to these services which may include a warm transfer when additional support is required, or cold transfer when members are seeking information. Some of the listed services include:
  - 1800 Respect
  - Good Shepherd
  - Redfern Legal Centre (Aboriginal and Torres Strait Islander concerns for financial abuse)
  - National Debt Helpline
  - National Relay Service

Additionally, members may be directed to the ASIC MoneySmart website for further resources.

- **Recognising when members may be in immediate harm:** In certain situations, if we have serious concerns about a member's safety or well-being, we may contact the police to conduct a welfare check. This action is taken when there is evidence or a strong suspicion that the member might be in immediate danger or at significant risk of harm. Our decision to involve law enforcement is carefully guided by our commitment to ensuring the safety and protection of our members and is considered against causing further potential harm.

When a member discloses a vulnerability such as a suspected financial abuse or a staff member identifies one, the Bank is committed to handling this information with sensitivity, privacy and providing flexible support options. These may include:

- offering hardship assistance or repayment pauses
- minimising the number of times the member needs to recount their situation
- providing guidance on safeguarding their accounts, such as setting up a separate account in their name or changing the operating authority on joint accounts to require 'both to sign'
- recognising that members experiencing vulnerability may not have access to their financial records or documents
- collaborating with the member's appointed representative or referring them to relevant support agencies, if necessary
- ensuring personal information is not disclosed to other borrowers or account holders in a way that could jeopardise the member's safety, such as sharing new addresses or contact details
- discussing and implementing secure methods of communication with the vulnerable member
- setting up new accounts or modifying access codes, passwords, and operating authorities for existing accounts, if needed

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- removing any requirement for the member to directly contact other borrowers or account holders if it poses a risk, and
- informing members about the types of information they need to share with co-borrowers, such as details regarding a child's account, to allow them to make appropriate arrangements.

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

Comparatively to the Bank's overall customer base, TMBL has a small percentage of members who are flagged as vulnerable persons and offered additional discretion and care by our frontline and Customer Care teams. Regardless of the number of members flagged as vulnerable persons at any given time, TMBL remains committed to maintaining and enhancing the policies, systems, processes and safeguards in place for our members.

## **(3) 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?**

The increasing reliance on online platforms to acquire and manage financial services products presents added complexity and new challenges in identifying and responding to financial abuse.

Generally, human interactions have proven the most effective way to identify potential financial abuse situations, with staff able to respectfully and discreetly identify potential abuse indicators and follow protocols that best protect the member. However, TMBL continues to invest in technology and online support tools that improve the identification and monitoring of potential financial abuse.

### **Fraud and monitoring**

Our real-time monitoring and fraud detection tools aid us in identifying red flag behaviours that allow our trained staff to explore with a member any potential abusive behaviour that may need added support from the Bank or third parties. We will also implement facial biometrics soon that will add additional layers of protection.

### **Consumer Data Rights (CDR) and data sharing**

The recent Opening Banking provisions allow a joint **account holder** to flag their **account** under the Consumer Data Right rules, allowing TMBL and other financial institutions to elect to not update the consumer dashboard of other joint **account** holders when they consider doing so "may be necessary to prevent physical or financial harm or abuse". We do this by flagging the **member** as at risk, which is in addition to a vulnerable member flag, and this will stop the **member's** data being shared without their consent.

### **Awareness, education & self Service**

TMBL is committed to educating and supporting our members to stay aware of potential triggers for frauds, scams and financial abuse through a range of financial literacy content, including videos, web and social content, financial podcasts for women, and information on staying safe for all members.

We also empower our members by providing them with 'self-service' tools in internet banking and our mobile app to protect themselves, should they suspect unauthorised access to their accounts, such as:

- changing their internet banking password
- updating their personal/contact information (phone number, email address, postal/residential address) online
- managing or lowering their transaction limits, and

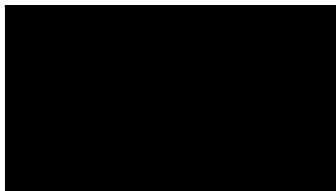
- changing the PIN on their card or disabling their card.

As noted above, we will continue to intervene for our members who cannot self-serve and who need deeper support and further interventions.

In conclusion, we remain committed to protecting the safety of our members and their financial futures. The landscape continues to change and we are steadfast in our desire to evolve our support for members who may be experiencing coercive control and financial abuse, and encourage industry-wide improvements to further protect those who are vulnerable.

Thank you for the opportunity to respond.

Yours sincerely,



**Nichole Banks**

Chief Marketing Officer