



# Australian Citizens Party

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## MEDIA RELEASE

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9 November 2022

### **The banks' digital revolution is a social engineering fraud**

*The Big Four banks claim customers are "choosing" to bank online, but they are trying to force Australians into digital vulnerability to boost their own profits and control.*

The closure of bank branches in Australia has become a crisis for customers, communities, and staff, but the banks' own figures prove they are lying about their reasons for doing it.

The banks claim that they are responding to a drop in demand for face-to-face banking services and cash.

The truth is they are forcing vulnerable Australians out of the certainty of face-to-face banking and cash payments and exposing them to the terrifying digital dangers of online scams targeting the elderly, and data/identity theft, that dominate the news every day.

They are doing so by closing branches and ripping out ATMs, exploiting their market oligopoly to socially engineer a cultural shift that will expand their profits and control—from taking a free cut of all transactions and collecting and monetising data.

And for the many customers who they know *can't* transition to digital services, the banks are openly boasting of pushing them on to Bank@Post. So while they are disrupting people and communities all over Australia to fatten their profits, they get to sponge off the small business licensees who own community post offices and the taxpayers who own Australia Post.

#### **A crisis from lies**

The wave of closures across Australia has reached crisis levels: for the customers who need the certainty of face-to-face banking but are expected to navigate the terrifying complexities, snares and pitfalls of digital commerce; for the small businesses which need cash floats and cash processing; and for the bank staff who are being laid off and have difficulty finding commensurate jobs, especially in regional Australia.

The number of Big Four bank branches in regional Australia is now below 1,000 and falling rapidly (there were more than 2,800 in 1975 when Australia had a much smaller population).

The Big Four banks have always wanted to shut branches to cut costs, and indeed have been doing so aggressively since the late 1990s; the problems this caused have already led to not one but two Parliamentary inquiries, in 1999 and 2004.

The digital revolution is merely their latest excuse, but unlike genuinely beneficial technological advances that people embrace, the banks are trying to force this shift by taking away the face-to-face and cash options.

National Australia Bank's own figures expose the lies the banks are using.

In "fact sheets" NAB distributes to customers of branches it is closing, the bank claims: "More and more, our customers are choosing to do their banking online, over the phone, or by video conference. ... *Because of these changes, we've made the difficult decision to close our NAB ... branch*" (emphasis added).

However, under "How is banking changing?", NAB also provides figures for that branch, which reveal an enormous gulf between "registered" online/telephone users, and "active" users.

For example, the fact sheet for NAB's Bombala, NSW branch, reports 89 per cent of the customers are registered for online/telephone banking, but of those, only 31 per cent are "active" users.

What is the definition of "active user"? Most people have to bank often enough that by any definition they are active users, so the percentage of active digital users being so small shows that despite being registered, the majority of NAB's Bombala branch customers don't bank online.

The figures for other closed NAB branches show a consistent pattern:

- Laurieton: 91 per cent registered, 25 per cent active;
- Cooma: 91 per cent to 27 per cent;
- Murwillumbah: 90 per cent to 26 per cent;
- Narooma: 93 per cent to 22 per cent;
- Northampton Shire: 91 per cent to 25 per cent;
- Port Melbourne: 85 per cent to 19 per cent;
- Strathalbyn: 89 per cent to 23 per cent;
- Tin Can Bay: 93 per cent to 28 per cent.

Sources have described to the Citizens Party how the banks are using similar pressure tactics exposed at the 2018 banking royal commission to perversely “incentivise” their staff to sign up customers to online banking—with the staff knowing success will cost them their jobs!

Bank staff know their customers, and therefore also know that a large number of them will never transition, but the bank bosses couldn't care.

NAB's submission to the recent Regional Banking Taskforce shows that NAB is aware many customers won't make the transition, because it expects those customers to keep banking with NAB through Australia Post's agency service Bank@Post, which, revealingly, it notes “can deliver over 90 per cent of all transactions previously managed in a branch”.

So NAB claims it's closing branches because most customers bank online, but it expects the local community post office to handle 90 per cent of a branch's transactions?

This is a massive bank knowing that a majority of its customers won't bank online, but that the government will let it sponge off the taxpayers and post office licensees.

And sponge is the word. Former Australia Post CEO Christine Holgate made NAB and the other banks pay \$20 million a year to use Bank@Post, but after Scott Morrison removed her the banks halved what they pay for the service. Effectively, if a typical branch costs \$2 million a year to run, they are exploiting a public service for the equivalent of the cost of five branches to replace hundreds of branches. And the government is letting them!

The Big Four are all doing the same thing. Westpac has given notice it is closing its Coober Pedy branch in February, which has thrown the local cash-based economy into disarray; like NAB, Westpac expects its customers to use the post office.

Enough is enough. Independent journalist Dale Webster's Parliamentary petition called for a moratorium on branch closures, and an inquiry into the banks' agenda. The Citizens Party, LPO Group and others are calling for a public post office bank, to guarantee face to face services and cash availability, regardless of digital developments.

Demand the government act!

[Click here to sign the Citizens Party's petition for a post office people's bank.](#)