

Bust up banking as usual with a public bank

Banking as usual: Westpac lies to defend 'mongrel act'; ANZ lies it 'likes' branches. Bust up banking as usual with a public bank

Two major bank CEOs have resorted to outright lies, this time to shareholders, to continue to defend their appalling contempt for customers exhibited in their mass-closure of bank branches.



Left: Westpac's Peter King lies about the bank's Coober Pedy branch closure; Right: ANZ's John McFarlane scoffs at the idea that government could run a bank. Photos: Screenshot

At the Westpac and ANZ Annual General Meetings in December, shareholders confronted both banks over their branch closures, in response to which Westpac CEO Peter King and ANZ CEO Shayne Elliott displayed the disgusting arrogance that is driving the rapid growth in support for a public bank to break the Big Four oligopoly and force them to truly compete.

Shareholder Michael Sanderson, from the bank victims group Bank Warriors, challenged Westpac CEO Peter King over his dishonest "mongrel act" of closing Coober Pedy.

Sanderson accused King of using weasel words in February 2023 to give the Senate Committee the false impression Westpac was pausing branch closures, while omitting to mention that the bank intended to go ahead and close certain branches, including Coober Pedy more than 500 kilometres from the next nearest bank; Sanderson noted Westpac's letter fooled politicians and the media.

In response, Peter King lied: "I think we were very clear in our communication about what we were and weren't doing", he said.

"With respect Peter", Sanderson retorted, "the Senate committee reacted as if you complied with their request for a moratorium on closures of all branches.... What you are saying is fundamentally incorrect. The media also interpreted it differently. So how can you say the message was clear?"

Peter King simply doubled down on his lie: "We were very clear in our communication", he repeated.

Over at the ANZ AGM, Chairman Paul O'Sullivan and CEO Shayne Elliott flat-out lied to a shareholder who questioned them on their plans for more branch closures.

"It's important to stress, we like branches", O'Sullivan claimed. "They give us a much better opportunity to engage with customers. The problem is, customers don't necessarily like branches."

Elliott repeated the lie: "The reality is we'd love the branches to have more customers in them, but the reality is our customers are voting with their feet and deciding that they generally—not everybody—but they generally prefer to do things on their mobile or in other ways, so we have to respond. Just like any business, we respond to the changing needs of our customers."

How do we know this is a lie?

A month earlier a former ANZ teller had blown the whistle to news.com.au that ANZ's policy is not to serve customers, but to direct them to the ATMs and even phones inside the branches so that their attendance doesn't count as a visit, and so ANZ can claim nobody is using branches and therefore it is justified in closing them.

Bushfire survivor denied access to cash after debit card lost to blaze

By 9NEWS Staff | 9:09pm Dec 23, 2023



WA bushfire survivor Mark Norton, 65, who was refused cash by his own ANZ branch because they had closed the books early for a Christmas party

The week after the AGM, ANZ closed its branches early on the Friday before Christmas, disrupting customers on one of the busiest days of the year. And that same day, an ANZ customer in Perth who had just lost his house and pets in a bushfire, which also destroyed his bank cards, went to his local ANZ branch to withdraw cash to tide him over until the banks opened again after Christmas, only to be told by the staff that they couldn't help him because they had already closed off the books for the day. After the media reported this scandal, ANZ management apologised, but the appalling treatment of this customer reflects ANZ's attitude and policy towards customers and branches.

Back at Westpac's AGM, Michael Sanderson followed up his question by citing how the establishment of Kiwibank in New Zealand as a public postal bank stopped all branch closures for the next seven years. "Would it improve Westpac's moral compass, clarify its social obligations and the board's thought process, if a publicly owned post bank was established here in Australia?" he asked.

Peter King ducked the question, but ANZ chair John McFarlane sneered: "Good luck with governments running commercial enterprises—it hasn't worked very well in most other cases."

Except it has. Australia had successful state and national public banks for more than a century, including, of course, the People's Bank, the Commonwealth Bank, before the illfated privatisation frenzy of the 1980s and 1990s, which turned Westpac, ANZ, NAB and CBA into a rapacious oligopoly that exploits, not serves, Australian consumers and the real economy.

It's time to establish another public bank to bust up that oligopoly, as the Australian Citizens Party proposed in its testimony at the 1 December hearing of the Senate inquiry into bank closures in regional Australia.

By Robert Barwick, Australian Alert Service, 17 January 2024