



Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

Phone: 1800 636 432 **Email:** info@citizensparty.org.au **Web:** citizensparty.org.au

MEDIA RELEASE

8 May 2024

Tell Parliament to go after the biggest perpetrators of financial abuse—the banks

All bank victims should make a submission to the Parliamentary inquiry into financial abuse demanding the banks are finally held to account.

The Parliamentary Joint Committee on Corporations and Financial Services (PJCCFS) is holding an inquiry into the financial services regulatory framework in relation to financial abuse in Australia.

The motivation for the inquiry is the problem of financial abuse within families, and the PJCCFS is looking at how it is facilitated by the financial system.

However, this inquiry is an opportunity to remind Parliament that the biggest perpetrators of financial abuse are the banks themselves, which have never really been held to account, and which have compensated fewer than 1 per cent of their tens of thousands of historic victims.

The Australian Citizens Party is calling on all bank victims to make a submission to this inquiry, relaying your experience and demanding the Albanese government finally hold the banks to account—see below for details on making a submission.

Bank victims

The Australian Labor Party was in Opposition for the nine years from 2013 to 2022, during which time a number of significant inquiries were held into financial system misconduct, including the 2014 Senate ASIC inquiry, and the 2018 Banking Royal Commission.

In Opposition, the ALP were the biggest allies of financial victims, promising real action and proper compensation.

But in government, where are they? The Albanese government has reneged on numerous promises to financial victims, including for a proper compensation scheme and to impose million-dollar fines on bank executives who are complicit in wrongdoing (Labor originally agreed to imposing fines, but backflipped within a day under direct pressure from the Australian Banking Association).

There are literally tens of thousands of bank victims in Australia whose lives have been ruined from banking misconduct over recent decades; there are hundreds of thousands more Australians who are victims of industrial-scale bank scams exposed in the Banking Royal Commission, like fees for no service.

This body count of bank victims is unprecedented in Australian history (outside of economic depressions), and is a product of the deregulation and self-regulation that turned the banks into a law unto themselves.

Bank victims' advocates have estimated to the Australian Citizens Party that since the 2018 Banking Royal Commission, which received submissions from no less than 10,000 bank victims, fewer than 1 per cent of all victims have received financial redress from the banks.

The banks are also amassing millions of a new kind of victim, by closing branches and ripping out ATMs *en masse* to force customers into digital banking, which has had devastating consequences for communities all across Australia.

These victims include:

- Small businesses exposed to extra security risks because they aren't able to

- bank their cash conveniently;
- Small businesses saddled with extra expenses from having to drive much farther distances to bank their takings; and
 - Vulnerable customers including elderly, disabled and indigenous customers who have been forced out of the security of branch banking into risky online banking where they are targets of sophisticated scammers.

Make a submission

This inquiry is chaired by the Labor government, and is therefore an opportunity to remind the government of their pledges to bank victims before taking office, and convey the message that any genuine consideration of financial abuse must include the banks themselves.

Please make a submission to this inquiry, and share this release with anyone you know who has been a victim of the banks, and encourage them to also make a submission.

A submission is simply a letter addressed to the inquiry that conveys your message, no matter how long or short, that you want the inquiry to hear.

The inquiry is accepting submissions until 14 June. Following is the terms of reference for the inquiry:

Inquiry into the financial services regulatory framework in relation to financial abuse in Australia, in particular:

1. The prevalence and impact of financial abuse, including:
 - a. the approaches taken by financial institutions to identify, record and report financial abuse, and any inconsistencies arising therein;
 - b. the impact of the shift of financial products to online platforms; and
 - c. any other contributory factors.
2. The effectiveness of existing legislation, common law, and regulatory arrangements that govern the ability of financial institutions to prevent and respond to financial abuse, including the operation of:
 - a. the *National Consumer Credit Protection Act 2009*;
 - b. the *Privacy Act 1988* (Cth);
 - c. the *Australian Securities and Investments Commission Act 2001*;
 - d. the *Insurance Contracts Act 1984*;
 - e. legislation and statutory instruments for superannuation; and
 - f. state and territory laws and regulations.
3. Other potential areas for reform, such as prevention, protection, and proactive systems, including:
 - a. existing financial product design;
 - b. emerging financial products;
 - c. employee training;
 - d. culturally appropriate responses; and
 - e. any other appropriate response, for example, mandatory reporting.
4. Steps that might be taken to support financial institutions to better detect and respond to financial abuse.
5. The role of government agencies in preventing and responding to financial abuse.
6. The funding and operation of relevant advisory and advocacy bodies.
7. Any other related matters, including comparative information about arrangements in relevant overseas jurisdictions.

Address your submission to:

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

Phone: 02 6277 3583

Fax: 02 6277 5719

Email: corporations.joint@aph.gov.au

You can mail your submission to the above address, email it to the above email address, or use the [upload portal on the inquiry website](#).