



Australian Citizens Party

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MEDIA RELEASE

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Westpac trying to crush de-banking whistleblower

The criminal banks' aggressive, business-destroying de-banking spree shows the need for a public post office savings bank that won't discriminate against customers.

Faceless enforcers at Westpac have now cancelled the personal, 30-year account of the small business de-banking victim whose case was raised with the banking regulator in Senate Estimates on 27 October. Senator Malcolm Roberts questioned the Australian Prudential Regulation Authority (APRA) about Westpac and the other banks' aggressive de-banking of competitors to the banking system, citing the cases of Paul Thomas's cash-in-transit business Commander Security and Michael Kukulka's Melbourne Gold Company; APRA chairman Wayne Byres pledged to look into it. Two weeks later Paul Thomas received letters from Westpac giving him two weeks' notice they were closing the personal account with St George bank he's had for more than 30 years; a joint account he has with a business partner; and ending withdrawal rights he has on a joint mortgage account he has with a relative.

Paul said he feels like he's being treated like a criminal: "These banks are defaming my character for reasons unknown", he said. "I feel gutted, broken, confused—my whole life has been turned upside down."

De-banking has become a weapon in the banks' war on cash, and anything else that allows people to transact in the economy independent of banks. The banks have a goal to get rid of cash in order to force everyone to transact through them, and earlier in the year they boasted they were able to take advantage of the pandemic to achieve cash-reduction goals in just a few months they had thought would take five years. The banks have been aggressively targeting businesses that allow people to transact outside of banks for de-banking, including gold and silver bullion dealers, bitcoin and other cryptocurrency traders, and overseas cash remittance companies that especially serve ethnic communities. The problem for these companies is that although they compete with the banking system, they also need access to banking services to carry on their businesses. Being de-banked can have devastating business consequences. Moreover, if the banks ever succeeded in achieving a cashless economy, their power to de-bank won't just lock people out of the banking system, but make it impossible for people and businesses to exist in the economy.

Banking mafia

In the movie *The Untouchables*, gangster Al Capone screams about Eliot Ness: "I want him dead! I want his family dead! I want his house burned to the ground!" When the banks de-bank customers, they make the mafia look tame. When Melbourne Gold Company owner Michael Kukulka was de-banked, by all the major banks, they closed his business accounts, personal accounts, credit cards, and the personal accounts of his employees and his family members whose names were associated with his company. Now Westpac is doing the same to Paul Thomas.

Paul Thomas's cash-in-transit business Commander Security transports cash from banks to resupply ATMs, which banks are trying to shut down, and remittance companies, which banks are de-banking. His business is not a primary target of the banks, but a secondary target because he does business with the entities the banks are targeting for de-banking.

Westpac's ostensible excuse for targeting Paul Thomas and others is that after their record fine of \$1.3 billion for breaching Anti-Money Laundering/Counter-Terrorism Financing (AML-CTF) laws, they are trying to be extra clean by reducing contact with any businesses in any area of AML-CTF risk, such as cash. The problem with that excuse is that unlike Westpac, the businesses they are targeting for de-banking are scrupulously compliant with AUSTRAC's AML-CTF requirements, and always have been—it's the big banks that have failed to comply. If this excuse was genuine, the banks would all be de-banking each other! Of course they don't, because AML-CTF is just the excuse, and banks don't care about the law anyway—events in recent years have proved that in Australia, bankers don't go to jail.

That said, even if banks deserved the benefit of the doubt, and they are intent on being squeaky clean, all that explains is why they would de-bank businesses. There is absolutely no reason to de-bank personal accounts! Paul Thomas has been with St George so long he actually opened his account with Advance Bank before it became St George Building Society, which later became St George bank before being bought by Westpac. This treatment of Paul and his partner and relatives is thuggish

gangster behaviour; in fact, Westpac staff themselves refer to the people who have done this to Paul as a “faceless division”.

National bank

Paul Thomas’s case is a reminder of the corrupt power of the banks over the Australian economy and politics. This power must be broken, by going back to what Australia used to have in the days before the two major parties colluded to privatise the Commonwealth Bank and put Australians at the mercy of the rapacious private banks. A public bank will fully guarantee deposits, protect savings from bad policies like “bail-in”, provide banking services without discrimination, and prioritise service ahead of profit, although it will easily be profitable. It will force the private banking oligopoly to truly compete on service, as currently they don’t compete with each other except on who can make the biggest profit, and in doing so raise the standards of the private banks in a way the governments and regulators refuse to do.

The Citizens Party is developing legislation for a public post office savings bank, to provide basic banking services of taking deposits and making loans through post offices, and which will invest any surplus deposits in a complimentary national development bank for investment in infrastructure and industries that develop Australia. Join the fight to stand up to the corrupt power of the banks!

18 days to end the ‘bail-in’ nightmare

In 18 days the Senate votes on Senator Malcolm Roberts’ Banking Amendment (Deposits) Bill 2020, which would end the threat that Australian bank deposits could be “bailed in” once and for all. Parliament sits this week, which presents a unique opportunity to flood Senators and MPs with calls into their Parliament House offices, so that as people walk the long halls of Parliament House all they hear is phones ringing off the hook about one subject—bail-in. So it’s especially important this week that you call your MP and Senators straight away and demand they vote for the [Banking Amendment \(Deposits\) Bill 2020](#). [Click here to find contact details for your MP and Senators](#).

Click here to sign the petition: [Hands off our bank deposits—stop ‘bail-in’!](#)