



CatholicCare NT

CatholicCare NT Senate Submission Closures of Regional and Remote Banks

ABOUT CATHOLICARE NT (CCNT)

CCNT is an established social services agency delivering a place-based model of service across 20 office locations in the Northern Territory (NT) and APY lands. Our mission is to contribute to a society that values all its members by strengthening individuals, families and communities in ways that respect their dignity and values. Our vision is for healthy families, connected communities and honouring culture.

CCNT have a keen interest in the closure of regional banks in Australia and specifically the NT. Several of the communities we work in do not have banking services and we see first-hand that this decreases social and economic participation.

CCNT are well positioned to describe the impacts of regional bank closures through the experiences of our place-based services and outreach support where our Financial Wellbeing and Capability (FWC) Program operates. Existing activities provided by CCNT include Financial Counselling, Case Management, Emergency Relief Crisis intervention, No Interest loan Scheme (NILS), tax help and Community Education. The Financial Wellbeing and Capability program engages with community to build confidence, financial literacy and self-efficacy. The FWC program is constantly evolving to develop and sustain appropriate and culturally sensitive models that respond to local challenges, such as bank closures. In remote settings we provide an inclusive and safe place for participants to access financial and digital services with support from trained Financial Wellbeing and Capability Case Managers. The FWC program is a conduit for remote participants to access banking services. Our staff are experienced in teaching participants how to access online services such as MyGov and internet banking across all settings, urban, remote and outreach. We do this in a culturally respectful manner, walking side by side with participants to build capacity and trust.

Recently our organisation experienced a regional bank closure at first-hand. This submission explains the significant complexities and devastation that occurred as a result.

TENNANT CREEK WESTPAC BANK CLOSURE SEPTEMBER 2022

In early September 2022 the Westpac Bank closed their branch in the regional NT town of Tennant Creek. The branch was closed with minimal notice and no consultation with the community.

Customers were not sent correspondence advising of the branch closure and there was no transition period to help customers adjust. The majority of Westpac customers in the Barkly region are Indigenous, are older and English is their second or third language. As a result of

the sudden branch closure, these customers were forced to use digital banking platforms without having the technology, security or know-how.

Westpac advised that alternative pathways to banking would be the Indigenous Connect Team (ICT), which is a phone service, and Bank@Post. As described below, these options are problematic and not viable.

At the time of the closure Westpac promised to maintain an ATM presence in the town. They later reneged on this promise.

Attachment 1 sets out the timeline and interactions between CCNT and Westpac.

Indigenous Connect Team (ICT)

The ICT have long wait times, sometimes between 1 to 2 hours and they were not adequately resourced to cover the impact of the branch closure and did not employ culturally sensitive staff. The ICT does not use interpreters or employ enough First Nations staff to provide an appropriate level of care to their customers. The gap between where customers are at, and ICT expectations is a barrier in itself for Westpac customers in Tennant Creek to access banking services. The ICT did not allow CCNT's Financial Wellbeing team to support customers and help bridge this gap.

When the Westpac staff are unable to meet a person's needs via the ICT, they refer them to the CCNT office to speak with an FWC staff member. We sit with them, side-by-side to call together. At times ICT staff have not allowed our staff to provide support. We have been directed not to speak or help the customer and not to have the phone on speaker.

It has only been through much advocacy initiated by the CCNT FWC manager that we have been able to resolve some of these issues and break down the barriers between Westpac customers who are now seeking our services and the ICT line. The FWC team continue to experience inconsistency in the level of service provided.

Bank@Post

Bank@Post is not a suitable alternative to banking at a branch. All bank customers must have an active debit card to bank at the Post Office. It is common for cards to be lost, stolen or damaged and historically customers chose not to have a card on issue and instead to show ID at the bank to access their money.

Impact on CCNT

Immediately after the closure of the bank, our service was inundated with First Nations people requiring assistance. Since then, we have been helping 20 to 30 people a day with their banking. We needed to pull staff from other programs in order to respond to demand.

In response to these issues, Westpac said they would put a staff member into our office for a couple of months, described as "remote servicing". The branch closed on 13th September 2022. In fact, it was not until just over a month later, on 24th October 2022 that remote servicing began. It was only in place for a month, until Friday 19th November 2022.

Remote Servicing

Recently our FWC manager reached out again to Westpac for support and to request further remote servicing. At this meeting we were informed that further remote servicing would not go ahead in Tennant Creek because it is “not remote enough”. At this meeting the devastating news that the ATM would also close was dropped on us. Currently the main reason Westpac customers access our FWC program for help is for them to access the ‘cardless pin withdrawal’ service. This can only be completed at a Westpac ATM. Without this option people will not have access to their money.

Impact on the Community

Westpac advised us that the Tennant Creek branch had 1,500 customers, 70% of whom are Indigenous.

The bank closure has left vulnerable people at risk. A high number of Westpac customers are no longer able to bank safely and independently, exposing them to financial and elder abuse, food insecurity issues and a sense of helplessness around accessing a much needed essential service.

The people of Tennant Creek feel abandoned by a bank who they once trusted and remained loyal to for many years.

We also note that the Westpac ATM is often out of service and sometimes for long periods – up to two days.

TERMS OF REFERENCE

The following responses are based on the recent experience of the Westpac bank closure in Tennant Creek

a. Branch closure process, including the reasons given for closures.

In this instance Westpac breached the Branch Closure Protocol required under Clause 14 of the Banking Code of Practice.¹

- No notice was given to stakeholders, community members or customers, the branch was open one day and closed the next, with no information but a sign on the door saying ‘permanently closed’.
- According to Westpac, reasons for closure were insufficient staffing, leading to safety concerns.
- There was no consultation with community leading up to the closure.
- Westpac staff on the ground did not prepare their customers or discuss alternative options to face to face banking with them.

¹ This requires banks to “comply with the ABA protocol when closing a branch. The protocol outlines our commitment to provide banking services to personal, and small business, customers in remote, rural and regional areas”.

- There was no investment in resourcing and staffing the ICT or Remote Servicing to help fill the gap left by branch closure.
- AT CCNT due to Westpac Customers presenting at our office in need of help with their banking issues we had to prioritise support. This has had a critical and sustained impact on our service delivery to this day.

b. The economic and welfare impact of bank closures on customers and regional communities

- Because people had to rely on support from younger family members with phones and technology for support there was an increase in financial/elder abuse, banking fraud and theft.
- A large number of people could no longer bank safely and independently.
- People had to borrow or transfer funds to a family member and had reduced access to their own money to build financial independence.
- Limited choice for methods of banking is disempowering, leaving remote community members feeling left out of a system that does not support or value them.
- The relationship between bank and customers is fractured and causing much frustration. There were many incidences of Westpac customers presenting at Community Service support sites including CCNT in a state of heightened agitation. This put the safety and welfare of workers at risk.
- Significant strain was placed on other services in the community to fill the gap in face-to-face banking service.

c. The effect of bank closures or the removal of face- to- face cash services on access to cash

- Cash has tangibility and is the key connector to financial value for First Nations people. Its removal creates a barrier for financial independence. If people have cash that is seen, felt and understood they are better equipped to achieve financial stability.
- The tap to pay option with debit cards removes all security and enhances financial abuse, for this reason customers choose not to have a card and to bank in person, face to face, with ID over the counter. As this is no longer an option, it increases financial insecurity.
- Regional and remote communities hold markets, local fundraisers, sausage sizzles etc. that only trade in cash. The benefits of having cash to attend such local events enhances social participation and positive social connection.
- People living in regional and remote areas are digitally excluded, they do not have the same levels of access to technology as those in more urban areas and therefore limited in their capacity to bank independently via digital platforms.
- There is evidence that when some elderly customers attempt to use digital platforms, they seek help from younger family who will record their access codes and login details and steal their money. Electronic banking is simply not safe for some people.

- If people don't have a card, a phone, or access to internet banking and the knowledge to use it they are at serious risk of food insecurity and not being able to meet their day to day living needs. Not only is their financial wellbeing compromised but so is their psychosocial safety.

d. The effectiveness of Government banking statistics capturing and reporting regional service levels, including the Australian Prudential Regulation Authority's authorised deposit taking institutions points of presence data

- No comment.

e. Consideration of solutions and any other related matters

- Banks need to follow the Banking Code of Practice and close branches as per their guidelines to reduce harm and give people the best chance of adjusting to life without face-to-face banking or the choice to change banks.
- If there is evidence of banks not following protocol in relation to bank closures, severe penalties should apply as a deterrent.
- Remote and regional communities are already lacking in services, removing banks adds another layer of complexity. An alternative to complete closure is for regional banks to offer reduced opening hours to maintain their presence and service.
- Improved partnerships and accessible banking services with bank@post to allow a customer to bank without a card if their identity can be safely assured.
- Collaboration with other banks in the regional area to expediate and streamline a process for customers to change banks.
- The eradication of all ATM fees as customers are now forced to use free-standing third party ATMs with high charges. (These can be \$2.80 for balance inquiries and withdrawals.) These fees quickly add up to significant amounts with people checking balances frequently and withdrawing small amounts of cash to manage budgets.
- Access to Indigenous Interpreters via all dedicated Indigenous call centres.
- It is important for Financial Institutions to build partnerships with community service organisations, particularly those working in Financial Wellbeing. This will ensure banking closure events are planned over time with community members being adequately informed and supported through a transition process.

Attachment 1 – Timeline of interactions between Westpac and CCNT

The name of Westpac staff members have been changed. Kelly Gulliver is the Manager Financial Wellbeing & Housing Support for CCNT.

02.09.2022	Westpac staff member, Susan emailed CCNT to request contacts at CCNT Tennant Creek as she would be there the following week and would 'love to set up a time to meet'. Kelly Gulliver replied and e-introduced her to relevant CCNT staff.
08.09.2022	Meeting held where Susan from Westpac informed CCNT Tenant Creek staff that the Tennant Creek Westpac branch would close temporarily sometime in the near future.
13.09.2022	Westpac Branch closes without any notice to customers or community members. This results in a rapid demand in our services from account holders who are digitally and financially excluded, at risk and can no longer bank independently.
20.09.2022	Kelly Gulliver called Barbara at Westpac - local contact for remote servicing to ask if she or a team member could travel to Tennant Creek to help with the demand. No response.
12.10.2022	Kelly Gulliver sent email to other staff in Westpac - ICT, Indigenous Remote banking, outlining concerns of at-risk Westpac customers and the impacts it was having on FWC services and the entire CCNT office. We were having to deploy staff from other programs to respond to the demand for help with banking. In the first few weeks we were helping 20 to 30 people per day. In this email Kelly explained the issues as well as concerns of financial abuse and requested a meeting.
14.10.2022	A meeting was held with a number of Westpac staff from ICT, remote servicing, and more senior staff. At the meeting Kelly shared the trends, the issues, the risks of elderly and vulnerable people not being able to bank other than face to face. It was agreed Westpac would provide remote servicing for a couple of months to be reviewed.
20.10.2022	Received a schedule of remote servicing from Westpac in Tennant Creek for 4 weeks from Monday 24.10.2022 to Friday 19 th November 2022.
17.11.2022	Kelly Gulliver met with Westpac Tennant Creek General Manager and State Manager. She advises that we are still supporting 30 to 40 people per week with Westpac banking issues, some ongoing issues with ICT not being culturally sensitive, not using realistic discretion when identifying customers and long wait times. She was informed that remote servicing would not recommence until February 2023.
03.02.2023	Kelly Gulliver emailed the Westpac State Manager about the recommencement of remote servicing and expressed urgency as they were still experiencing about 30 to 40 requests for one-on-one help with banking per week. Multiple emails were sent without a response from Westpac.
24.02.2023	Westpac agreed to meet on this day so we could discuss Remote Servicing and the continued customer presentations at CCNT. Kelly was informed there would be no Remote Servicing as Tennant Creek is not considered remote and in addition that there would no longer be a Westpac ATM as it is being removed from the building.