

Tuesday, 14 May 2019

Every Customer Counts: WIRE submission

About WIRE

WIRE is the only Victoria-wide free generalist information, support and referral service for women, non-binary and gender diverse people. We provide a non-stigmatising service delivery entry point – enabling people from diverse backgrounds to gain knowledge and resources needed for complex problem solving. WIRE provides robust, high-quality services to women and gender-diverse people within a gender-informed, strengths-based and trauma-informed framework. We specialise in supporting people to build their financial security by working with their strength and resilience to establish new knowledge and financial behaviours.

WIRE has been a recognised expert in the gendered financial capability and wellbeing space for in excess of a decade. Our achievements include:

- ❖ 2007 – Women’s Financial Literacy Report
- ❖ 2009 – Young Women and Money Report
- ❖ 2010–2013 – Women & Money Month-3 year partnership with Queen Victoria Women’s Centre and Office of Women’s Policy
- ❖ 2012 – Money Smart Week Highly Commended Award recipient
- ❖ 2014 – Information booklet: ‘Money problems with your partner: Dealing with financial abuse’
- ❖ 2014 – Relationship problems and money: Women talk about financial abuse report. 2015 – Financial Literacy Australia Outstanding Achievement in Research Award recipient
- ❖ 2015 – Strong beginning, financial equals report- research into women’s experience of respectful financial relationships
- ❖ 2015–2016 – Women Talk Money website funded by Financial Literacy Australia, winner of the Financial Literacy Australia Outstanding Achievement in Communication Award in 2017
- ❖ 2015–Present – Purse Project for women – financial workshops and support for women with an experience of family violence development and delivery
- ❖ 2016–Present – Purse Project for professionals – understanding financial abuse and working towards financial wellbeing after financial abuse workshops development and delivery
- ❖ 2017–Present – Women & Money website, the development and promotion of a digital toolkit to assist financial sector professionals in engaging more effectively with women and supporting clients experiencing family violence. You can view the toolkit at www.womenandmoney.org.au
- ❖ 2018 – Financial Inclusion Action Plan Trial blazer
- ❖ 2018 – Family violence training for Victorian Financial counsellors – in partnership with Womens Legal Service Victoria WIRE developed

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and delivered family violence training course for Victorian financial counsellors

- ❖ 2018 – When is the right time to talk about money? – Financial teachable moments for women affected by family violence report
- ❖ 2018 – 2019 – SARA – a financial wellbeing program for women. Developed for the Victorian Department of Education and Training an eight-week financial capability course for women affected by family violence that will be delivered in 27 Learn Locals Across Victoria.
- ❖ 2018 – 2021 – Women’s Financial Capacity co-design and piloting program. WIRE has been auspiced by the Victorian Government to design a product/system to improve the financial capability of women in particular women from CALD and Indigenous backgrounds as well as women with a disability.

Memberships

- ❖ Member of the Financial Inclusion Action Plan (FIAP) Advisory committee
- ❖ Economic Abuse Reference Group
- ❖ Gender Equity Victoria
- ❖ Domestic Violence Victoria
- ❖ Economic Security for Women
- ❖ Ministerial Taskforce For The Prevention Of Family Violence (Victoria)

Response to questions

4.1.3

1) Do you agree with our proposal to use these Guiding Principles to underpin the Guideline?

WIRE agrees with the proposed guiding principles.

5.2

1) Are there additional issues relating to ‘vulnerability’ that should be considered in a definition of vulnerability? Note, we encourage stakeholders to provide examples and case studies that assist interpretation.

WIRE agrees with the inclusion of people experiencing family violence and financial abuse within the definition of vulnerability. This should also take into account issues such as racism, migration status, remote and rural geographical location, and disability as factors that can impact the experience of family violence and present multiple barriers to accessing services and assistance that must be overcome.

The definition of vulnerability should take an intersectional approach. Intersectionality is a framework which locates people based upon the privileges and the oppression they experience. It acknowledges that people have multiple points of oppression and privilege. It is not based in identity but power structures. For example a woman experiencing family violence may not just be experiencing vulnerability through her gender and family violence status but there may be additional points of oppression such as racism, ableism and low socio economic background. The concept of vulnerability used by the ABA needs to acknowledge the multiple vulnerabilities that many customers experience.

This concept of Intersectionality goes beyond acknowledging diversity as every individual is diverse with any one individual being able to be categorised multiple ways for example by their skin colour, disabilities, religion, socio economic status, gender and sexuality. Intersectionality comes from the premise that these categorisations are neutral until societies and individuals in those societies make assumptions, develop beliefs and assign value to people based on how they are categorised. It is these perceptions, beliefs and assigned value that is found in cultural norms and behaviours and it is this that creates increased vulnerability for some cohorts of people such as women, Muslims and Indigenous Australians. Cultural norms and behaviours that are racist or sexist foster discrimination that reduces people's choices, opportunity and financial wellbeing. The more points of vulnerability a person has the more likely that they will experience financial insecurity and potential hardship. In addition the more points of vulnerability a person experiences the more barriers to inclusion they are likely to experience from the policy and procedures and actions of institutions such as banks unless the institution is actively assessing for barriers and taking action.

WIRE thus recommends that intersectionality be factored into and explicitly mentioned as part of the definition and description of vulnerability.

WIRE uses the words "victim-survivor" to describe people that have experienced family violence, but this description equally works to describe people that have experienced other traumatic experiences.

"Victim-survivor is the preferred term of women with lived experience of family violence. It acknowledges that victims are not passive but work diligently to survive and manage their safety and endurance by various coping mechanisms that allow them to take some form of control of the situation (Herman 1992)."

(When is the Right Time to Talk About Money?: Financial 'Teachable Moments' for women affected by family violence, Fernando, N. 2018p.8)

Understanding the duality of the victim-survivor experience enables banks to provide more appropriate support and resources to those impacted by family violence. Seeing those affected by family violence as just victims leads to the support and services provided being potentially paternalistic and disempowering. It also has the risk that in the desire to provide solutions to victims that their resilience and ability to make informed decisions is not recognised and decision making agency is taken from them. This may have the unintended consequence of continuing the pattern that the victim-survivor experienced when in a family violence relationship of having their power and control eroded. Just seeing people that have experience adversity as survivors ignores their experience of hardship and the ongoing challenges they may be experiencing. The more nuanced description of victim-survivor should not only be represented in guidelines and policies but in training provided to front line staff and those that manage them.

For more information on women and marginalization and vulnerability please visit WIRE's Women and Money website <https://www.womenandmoney.org.au/experiences-of-marginalised-groups/>

5.3.2

1) Do you support the proposal that the Guideline should commit banks to make available an easy to understand explanation of their commitment to vulnerable customers?

WIRE supports the proposal that banks make available an easy to understand explanation of their commitment to vulnerable customers. WIRE's previous research has shown that women often have difficulty accessing financial information regarding hardship policies and options for vulnerable customers. This can prevent them from accessing services they are entitled to and compound the impacts of financial stress or abuse. A survey about women's experience with the finance sector, conducted by WIRE in 2017, reflected these sentiments, that information for people on low incomes or experiencing financial hardship was difficult to find. One respondent explained:

"Whilst unemployed I was receiving calls about my credit card repayments. I was finding even the smallest payments very difficult and it was a long time before I was told about hardship payment options. Before that I was spoken to like a child, and told that it's only \$50 a week, which highlighted a lack of understanding of how low unemployment benefits are. This woman made me feel ashamed and frustrated."

If plain English information was available from multiple sources it would make financial hardship processes less opaque and customers would feel more confident in enquiring about them. Recent research has shown that victim- survivors that are able to engage banks around their financial situations have much better outcomes thus it is important that pathways to hardship teams are open and inclusive. (Restoring Financial Safety: collaborating on responses to economic abuse, Tonkin S. 2018)

2) Do you have any additional suggestions about what else this document should include?

This document should include specific information for people experiencing family violence and financial abuse. It should outline how the bank can support victim-survivors of family violence and how that support can be accessed. This information should be available both online and in branches, and extra effort should be made to make sure it is easily found on the website including through the search function.

WIRE's research 'When is the Right Time to Talk About Money?: Financial 'Teachable Moments' for women affected by family violence', highlighted a lack of bandwidth that victim-survivors of family violence experience when both in the relationship and at crisis point (leaving the relationship). This lack of bandwidth also lasted well into the recovery phase which may last many years or even decades. Bandwidth refers to the amount of information that a person can take in and process at a given time. Bandwidth reduces when a person is experiencing stress and when they are engaging with multiple complex systems such as the judiciary, housing, family violence, and banking and finance systems. Family violence victim- survivors often experience reduced bandwidth at a time when they need to be taking in a lot of information and making significant decisions. How information is provided to victim- survivors should take reduced bandwidth into account. Information thus may need to be provided multiple times and through varied modalities such as verbal, hardcopy information and online.

Our research shows that victim-survivors want information to be provided through multiple methods – verbally, online and in hard copy. This includes "information and support that is easily accessible from 'any places that women go' and in multiple locations as perpetrators tightly

monitor and control their movements.” It may be that it is safer for a victim-survivor to access information from a place not associated with family violence so having easily accessible information available from financial institutions is crucial. (When is the Right Time to Talk About Money?: Financial ‘Teachable Moments’ for women affected by family violence, Fernando, N. 2018).

3) What practical measures or examples should be included in these protocols?

These protocols should include family violence as a specific example, with a clear definition of what financial abuse is and examples of financially abusive behaviours. A comprehensive list of financially abusive behaviours is available on the Women and Money website. (www.womenandmoney.org.au).

6.1.2

1) Do you think practical measures for considering vulnerable customers in product design should be incorporated in the Guideline? If yes, do you have any suggestions about what these measures could be?

Vulnerable customers should be part of the design process for any new product and this should be reflected in the guidelines. This can prevent barriers to access being built in to a product and eliminate possible safety risks for vulnerable customers. Considering vulnerable customers during the design phase not only creates better products but enables products to be designed more efficiently, as issues relating to vulnerable customers will not have to retroactively addressed.

Measures to include vulnerable customers in the design process may include:

- ❖ Lived experience reference groups.
- ❖ Co-design with vulnerable customers.
- ❖ Consultations with expert organisations working with vulnerable people.

Oc By including vulnerable customers in the design process products and services will be more accessible to everyone, not just those experiencing hardship.

In addition we believe that the expertise of people with lived experience should be recognised and that people with lived experience should be paid when they are consulted with around product design.

6.3

1) Where a customer is identified as potentially being vulnerable, what actions should banks take (i.e. what would constitute “extra care”)?

Take steps to inform customers of what services they are entitled to such as hardship processes. Provide referrals to relevant support services such as family violence support services, financial counsellors and material aid. The safety of the customer must be taken into consideration before being contacted about possible services or products.

WIRE is aware that joint accounts are a point of vulnerability for many people experiencing financial abuse. The bank can undertake actions to mitigate against that vulnerability such as requesting both parties are aware of and approve large transactions and regular scheduled transactions need to be reapprove by both parties on an annual basis. In addition account statements should be sent to both parties via email or mail. Where there is established family violence the bank may need to modify approval processes to ensure the safety of the victim-survivor.

Extra care would also constitute taking into account the reduced bandwidth that victim – survivors experience and providing information in a way that enables informed decision making. See response to section 5.3.2.2 for more detail.

For more information on working with women effectively see WIRE's Women and Money website <https://www.womenandmoney.org.au>

2) What ethical and privacy issues should banks consider where deploying data analysis techniques to proactively identify customers who may be vulnerable?

The safety of the customer should always be the number one concern. Initiating direct contact with a potentially vulnerable customer could breach their safety, particularly in cases of family violence. This must be the first consideration before a customer is contacted without prompting. Banks should undertake the following steps to minimise the safety risks to their clients:

- ❖ Always ask the customer it is safe for them to talk.
- ❖ Look at different ways information could be delivered such as through online banking portals, via email and phone.
- ❖ Provide this information when the customer is alone.
- ❖ Have firm guidelines and associated training on these guideline implementation on what to do if the customer discloses family violence.
- ❖ Have policies and processes to follow if they feel a customer's safety is at risk.
- ❖ If a family violence situation has been disclosed, the customer should not be contacted without their permission.
- ❖ Have information about technology facilitated abuse readily available so the customer can assess whether their devices may be monitored by their abuser and whether further contact from the bank is safe.

7.1.2

1) Should banks, with the explicit permission of customers, record vulnerabilities that banks discover or customers disclose in their internal records e.g. through flags / notes in the internal bank system? If yes, how should banks use that information?

Yes, the recording of this information is crucial so that customers don't have to repeatedly tell their story every time they speak to someone. This can be retraumatizing and time consuming and a flag/note system can avoid this. This will also make the treatment of vulnerable customers more consistent and less subjective to the person they are dealing with.

Recording information accurately also assists with the bandwidth issue experienced by victim-survivors as retelling of their story is time consuming and mentally exhausting. Training for customer facing staff on how to effectively and efficiently record information should be made available. This will also ensure that non-essential information that is private and sensitive is not recorded.

2) How should banks balance the desire to support customers fully and ensure they don't have to repeat their story, with the customer's right to privacy?

Ensure that data is kept securely and not disclosed to any third party without the explicit consent of the customer. Aim to have one contact person that the customer can build a relationship with and know they won't have to repeat their story. Even this small step can make a big difference, as one respondent in WIRE's 2017 survey found:

I have been a victim of financial abuse and my bank has provided me with the same case officer to assist with my case over the last 12 months, whilst the bank has a lot of improvements they can make in their policies and practices, it has been great to be able to deal with an empathetic, compassionate person who knows my circumstances and not have to constantly re-explain my story.

3) Should banks ask customers questions when they open an account whether the customer identifies as Aboriginal or Torres Strait Islander?

WIRE is not an Indigenous community controlled organisation and as such does not believe we have the authority to answer this question. WIRE believes that the banks should take the direction of the Indigenous community in particular to seek the advice of the First Nations Foundation around this matter.

Around collecting any sensitive data WIRE believes that banks should ensure that the provision of the information is necessary and that customers have the option not to provide the information.

4) Are there any other questions banks should ask customers when they open an account to assess if they may be at risk of being vulnerable?

Understanding what a respectful financial relationship looks like and that everyone in a relationship has a right to be treated with respect is powerful. It is information which can prevent many becoming victim-survivors or perpetrators of abuse. For those already experiencing abuse it can be the catalyst they need to take steps to end abuse they are experiencing. Thus WIRE believes that all new account holders should receive information at the time of application via online and brochures on respectful financial relationships. This information should be made available and easily accessible in branches and on bank websites for existing account holders.

5) Are there any further measures or principles which should be included in the Guideline with respect to data collection?

WIRE will leave this question to others with more expertise around data collection and points of vulnerability and compromise that the provision of that data and no provision of data may produce.

8.2.2

1) Do you agree with inclusion of the proposed provision in the Guideline?

Yes, WIRE agrees that this provision is crucial to providing adequate support to people experiencing financial abuse.

2) Do you think any additional guidance or provisions for staff training should be included in the proposed Guideline?

Training is an essential component of quality financial hardship support as high quality, evidence informed and relevant training will support consistent best practice service provision to customers experiencing hardship.

Training should include information about intersectionality as discussed earlier on in this submission so that staff are able to understand the vulnerability of their customers and in turn how to best meet their needs and work with them. Training should also include information on how to work with customers experiencing reduced bandwidth as a result of family violence and other hardship related issues. In particular this training should include information negotiating how banking staff will provide information and how decisions will be made by the customer so that any necessary head timelines for decisions are met.

9.2.2

1) Do stakeholders support the implementation of the recommendations of the Australian Law Reform Commission relating to power of attorney reforms, a national register and an organisation to investigate 'good faith' reports of financial abuse?

Yes WIRE agrees with the recommendations of the ALRC. We are also guided by the views of Women with Disabilities Victoria or Women with Disabilities Australia.

2) Do you agree with our proposed inclusions relating to third party authorisation forms in the Guideline?

Yes, WIRE agrees with the proposed changes.

3) Are there any changes or additional commitments relating to third party authorisation forms which you think should be included in the Guideline?

WIRE suggests that customers should be given the information regarding third party authorisation forms without the third party present, so in cases of coercion they have the opportunity to say no, or further discuss their decision with the bank's representative. This will provide an opportunity to discuss financial abuse and options available to customers that may be

experiencing financial abuse. WIRE recognizes that having a conversation away from the perpetrator will not remove all forms of coercion as the victim – survivor will still be fearful of what may happen if they don't do what the perpetrator has demanded of them but it will allow scope for victim-survivor to ask about and given information about their financial rights and family violence supports.

9.3.1

1) Should collections arrangements be included in this Guideline?

Yes, collection arrangements can have a significant negative impact on vulnerable customers with many customers describing the behaviour of collection agencies as harassment. The main tactic of these agencies is the intimidation of already vulnerable people.

2) If yes, what do you think are the appropriate parameters that should be applied to collections arrangements for vulnerable customers?

If a customer is recognised as vulnerable, debts should not be sold on to collection agencies and debts already sold on should be repurchased by the bank.

3) If yes, should these arrangements be applied to all categories of vulnerable customers?

Yes, all vulnerable customers should be included in these arrangements.

9.4.1

1) Do you support including industry level guidance on preventing scams in the Guideline?

Yes, WIRE supports including industry level guidance on preventing scams in the guideline.

More information

For more information about WIRE and this submission contain WIRE CEO Julie Kun on jkun@wire.org.au