

16 August 2021

Mr Mike Callaghan AM
Independent Review of the Banking Code of Practice

Via email: submissions@bankingcodereview.com.au

Dear Mr Callaghan,

SUBMISSION

ABA CODE OF BANKING PRACTICE REVIEW

The Indigenous Consumer Assistance Network welcomes the opportunity to provide a submission to the Banking Code of Practice Independent Review 2021 ("the Review").

ABOUT THE INDIGENOUS CONSUMER ASSISTANCE NETWORK

The Indigenous Consumer Assistance Network Ltd (ICAN) provides consumer education, advocacy, and financial counselling services to Indigenous consumers across North and Far North Queensland, with a vision of "Empowering Indigenous Consumers".

Indigenous peoples living in regional and remote communities often experience heightened consumer disadvantage. Structural barriers and an uncompetitive marketplace in remote and regional communities create conditions in which consumer and financial exploitation occur. In line with its vision to empower Indigenous consumers, ICAN provides Indigenous consumers with assistance to alleviate consumer detriment, education to make informed consumer choices and consumer advocacy services to highlight and tackle consumer disadvantage experienced by Indigenous peoples.

OUR SUBMISSION

1. ICAN is a signatory to the Joint Submission by consumer advocates led by Consumer Action Law Centre and we strongly support the recommendations put forward in that submission, particularly in relation to issues impacting First Nations people and communities. We seek to include this additional submission to provide a specific focus on the banking issues faced by people in prison and those transitioning out of prison.
2. In summary, we believe that the Banking Code of Practice should explicitly refer to prisoners (including those transitioning out of prison) as a group within our community who experience vulnerable circumstances.
3. Banks, and the products and services they provide are critical conduits for managing peoples' essential needs and day to day life. This does not stop once incarcerated. However, due to the many unique rules and processes governing the lives of incarcerated people, significant barriers

render banking products and services inaccessible. For banks to remain inclusive and accessible, it is critical that they provide tailored support to people during their incarceration and as they transition out into the community. Such support aligns with community expectations that the human rights of people in prison are upheld, they are treated with dignity and that they have access to services that reduce re-offending while in prison.

4. We therefore recommend that clauses 32 and 38 of the Code be amended to include prisoners (including those transitioning out of prison).
5. At a minimum, the following recommendations should be made to ensure ABA members provide appropriate support to their customers who are, or have been recently, incarcerated:
 - A. **Recommendation 1** – Amend clauses 32 and 38 to specify that the Code is inclusive of prisoners, and those transitioning out of prison and that this is a group of people who experience vulnerable circumstances.
 - B. **Recommendation 2** – Introduce a Code commitment within Chapter 13 that requires banks to have:
 - 1) Tailored, consistent and transparent policies and procedures to ensure that people in prison can continue to manage their finances through having access to banking services; and
 - 2) a team that is appropriately resourced and equipped to:
 - a. understand the operation of the different corrective services systems within Australia and the consequent needs of incarcerated customers;
 - b. provide advice to other departments within the bank which may have contact with a prisoner; and
 - c. provide appropriate support to prisoners, their financial counsellors and other advocates working with prisoners.
 - C. **Recommendation 3** – Introduce a Code commitment that requires banks to accept Corrective Services identification paperwork as satisfying the required 100 points of ID needed to engage in banking services.
 - D. **Recommendation 4** – Chapter 15 of the Code should be amended to include reference to people with low or no income, including prisoners. The last sentence of clause 43 should be deleted. There should be an additional Code commitment that banks will ensure prisoners are provided with the option of transferring their account to a fee free account without the requirement to attend a branch or provide further identification.
 - E. **Recommendation 5** – The Code should commit banks to providing transparent policies regarding when and why they will close a person’s bank account. These policies should make explicit that off boarding is an option of last resort and only used where the person poses a clear and present risk of engaging in the conduct prescribed by the policy.

BACKGROUND

6. ICAN has a partnership with Lotus Glen Correction Centre (LGCC) in Far North Queensland. Through this partnership we deliver our financial capability training workshop, Yarnin’ Money to groups of incarcerated people once every month. This training is delivered alongside our fortnightly financial counselling services inside the prison. The demand for our services within the prison far exceeds our resource capacity to deliver these services. Through our work with

these prisoners, we are identifying clear structural and systemic barriers to them accessing banking services while inside prison and when they initially transition out. These barriers also significantly hinder our ability to provide services within the prison and therefore reduce the capacity of our service to meet the demand. We have raised these barriers with Corrective Services and individual banking institutions with the aim of developing more accessible, transparent, and appropriate support to people in prison.

7. LGCC currently has approximately 1,132 incarcerated men. Of that number, approximately **73% identify as Aboriginal and/or Torres Strait Islander peoples**¹. According to the 2019 Queensland Productivity Commission's Inquiry into Imprisonment and Recidivism (the QPC Inquiry), an Aboriginal and/or Torres Strait Islander male in Queensland 'has an almost 30% chance of being imprisoned by the age of 25'.² Across most states in Australia the prison population is increasing with the current number of people incarcerated being approximately **42,633**. Of this total, 34% of people in prison have not yet been sentenced and approximately 30% identify as Aboriginal and/or Torres Strait Islander peoples.³
8. In 2018, the Australian Institute of Health and Welfare reported that **2 in 5 prisoners had children in the community who were dependent on them for their basic needs**. It also reported that 2 in 5 (40%) people in prison had experienced mental ill health during their lifetime, with almost one quarter (23%) of people entering prison taking medication for a mental health condition. Over half of the people being discharged from prison who engaged in the research expected to be homeless once released.⁴
9. Both the financial counselling sector and essential service providers, including financial service providers, through the Thriving Communities Partnership, have recognised the impact of financial issues on people in prison and are looking at ways to address these issues.⁵ The QPC Inquiry, reports on the link between unresolved financial issues and the stress on people inside prison that this causes as well as the increased risk of reoffending as a consequence of increased indebtedness.⁶ As highlighted in all of these reports, people entering prison will come with many and varied debts which they often have limited information about. Once in prison, their ability to obtain information and deal with the debts is significantly reduced due to the many barriers they face inside. This means that a person will confront a much greater debt upon their release, with unresolved debts growing through additional fees and interest charges while the person is in prison.

¹ Data obtained from Lotus Glen Correction Centre on 30 July 2021. Note that figures given are approximate because numbers change daily as people enter and exit the prison.

² Queensland Productivity Commission, 2019, *Summary Report: Imprisonment and Recidivism*: <https://qpc.blob.core.windows.net/wordpress/2020/01/SUMMARY-REPORT-Imprisonment-.pdf>

³ ABS Data viewed on 3 August 2021: <https://www.abs.gov.au/statistics/people/crime-and-justice/corrective-services-australia/latest-release>

⁴ Data from the Australian Institute of Health and Welfare, 2018, *The Health of Australia's Prisoners*: <https://www.aihw.gov.au/getmedia/2e92f007-453d-48a1-9c6b-4c9531cf0371/aihw-phe-246.pdf.aspx?inline=true>

⁵ Thriving Communities Partnership, 2020, *Fostering Financial Stability for People in Prison Project*: https://www.thriving.org.au/files/Projects/Prison%20Project/Fostering%20Financial%20Stability%20for%20People%20in%20Prison_Phase%201%20Report_March%202021.pdf and Financial Counselling Australia, 2018, *Double Punishment: How people in prison pay twice*

⁶ Queensland Productivity Commission, 2019, *Final Report: Imprisonment and Recidivism*: <https://qpc.blob.core.windows.net/wordpress/2020/01/FINAL-REPORT-Imprisonment-Volume-I-.pdf> at p.359

10. This characterises the situation for many of the people we see inside LGCC, where much of our initial work with a person in prison is about finding out information regarding their debts. Our financial counsellors have learned that once this information is obtained and a plan put in place to address them, the men report feeling significant relief, with statements such as:

“It is such a relief to know you can help. I had no way of letting them know I was here. I was worried I could lose my house.”

“My bills and things have been stressing me out so much, I couldn’t sleep.”

“I worry about my family on the outside. If I can’t deal with my bills and things, it will only make it worse for them.”

“I really want to straighten everything out while I’m here so I can have a fresh start. I want to be able to rent a place for me and my son and buy a car. If I had a car, I could take my son to footy and I could get out of the ‘Bronx.’”

11. The significance of these issues for the Inquiry into Imprisonment and Recidivism, led the QPC to recommend the need for:

a process that will help prisoners to deal with the barriers they face in addressing financial matters, particularly debt, due to their imprisonment, where that would help to reduce reoffending.⁷(p.42)

12. Support for people with their financial issues is severely limited once they enter the prison system. There are no dedicated positions or resources available within Correctional Facilities to assist prisoners with financial issues. As all the reports referred to in paragraph 9 above highlight, financial counselling services within prisons are severely limited and services cannot meet demand. As a result, Department of Corrections staff may attempt to fill the gap and provide support for these issues within the context of managing the prisoner’s mental health. However, there are significant limitations on their capacity, role, and expertise to provide the necessary support needed to deal with the many and varied financial matters that present and meet the demand across the prison population. With significant limitations on their ability to self-advocate, whether due to their own skills, literacy or simply the barriers created by the prison system, the financial situation of many prisoners deteriorates without access to appropriate supports.

13. There can be no doubt that people in prison are experiencing particularly vulnerable circumstances. As the reports referred to above highlight, these circumstances exist before and after the person enters and exits prison – these are the people that ABA members already commit to taking extra care with under clause 38 of the Code. Once inside, however, these vulnerable circumstances are compounded by the reality of existing within a system that operates with a unique set of rules which govern all aspects of the person’s life and which in turn requires external services to tailor their engagement with the person to comply with these rules.

14. The challenges faced by incarcerated men and women are further compounded, and continue long after the person exits prison, through the unconscious biases (suspicion and mistrust) within our broader society and the systems operating within it, towards people who have been incarcerated. Without a recognition of these biases and an acknowledgement that incarcerated, and formerly incarcerated people face unique barriers and circumstances, these people will

⁷ Ibid at p.363

continue to face inequitable and adverse outcomes. Given the number of prisoners who have children in the community who are dependant on them, these poor outcomes have a ripple effect across the community, with family members also significantly impacted.

15. The Human Rights Commission of Australia reports that “the finance sector can have an impact on the enjoyment of almost **all** human rights.”⁸ As the QPC Report highlighted, it is critical to a person’s rehabilitation that people in prison be able to continue managing their financial affairs while inside and upon exiting prison. That is, banking services must remain accessible, affordable, and inclusive to people who are in the prison system and transitioning out of to assist in reducing reoffending. To ensure that the Code continues to meet customer and community standards in contributing to banking services that are inclusive, affordable, and accessible to all customers, it is critical that the Code is explicit about being inclusive of prisoners, and those transitioning out of prison as well as listing prisoners within the listed groups of people who experience vulnerable circumstances. Without an explicit recognition of prisoners within the Code, banking services will remain inaccessible to people in prison and those transitioning out.

Recommendation 1 – Amend clauses 32 and 38 to specify that the Code is inclusive of prisoners, and those transitioning out of prison and that this is a group of people who experience vulnerable circumstances.

SYSTEMIC BARRIERS

16. Like many Australians, many prisoners have the capacity to be able to engage with their bank to manage day to day affairs for themselves and their families as well remedy issues that may arise. However, once incarcerated they are often thwarted by barriers that arise from within both the corrective services system and the banking systems. Without access to banking services and products, or at best timely access, what begins as financial hardship quickly develops into a financial crisis and distress levels rise. Lack of access to essential banking services prior to and post release only compounds the risk of reoffending and heightens existing vulnerabilities (poor health, lack of housing, etc).
17. Most, if not all prisoners accessing our services are requesting ongoing financial counselling work that requires contact with their bank, to access general banking services that most people take for granted. This includes obtaining bank statements, checking balances, actioning direct debits, placing blocks or limits on their accounts, changing the type of account (e.g.: to fee free) and/or opening an account.
18. Through our work in LGCC, we have identified numerous structural and systemic barriers for people in prison when it comes to managing their financial affairs while in prison and immediately after exiting. These barriers arise because of the ways in which: the criminal justice system operates upon entry to the prison; the prison system operates once a person is inside; the processes that apply when someone immediately leaves prison; and the policies, procedures, and practices of financial institutions throughout these various stages. The Code cannot remedy the barriers created by the criminal justice and corrections systems. However,

⁸ Australian Human Rights Commission, 2014, *The Australian Finance Sector and Human Rights*: https://humanrights.gov.au/sites/default/files/GPGB_finance_sector_and_hr.pdf

banks can take steps to minimise the impact of these systems on the person's access to banking services as an ongoing customer of the bank.

To provide a context for the recommendations that follow, we have provided a description of what we have learned from men in LGCC and the Corrections staff that support them.

Upon Entry:

19. Upon entry to the prison system, we have learned that a person can experience any or all the below situations:
 - Because a person is often incarcerated without notice, they may have little or no documentation, including identification, on them;
 - Like many people, they may not remember bank account numbers or passwords;
 - Their current address may differ from what is recorded on their account, and they may not recall previously recorded addresses; and
 - Their signature may also differ from what they have provided previously.
20. Further, all prisoners accessing our services have financial liabilities and speak of multiple barriers that exist in just contacting the creditors to advise of their imprisonment. Once they are in default, this becomes increasingly difficult as accounts are transferred across teams within the bank or on sold to debt collectors.
21. Relevantly to the recommendations further below, upon entry to the prison, a Corrective services photo identification certificate detailing the prisoner's name, date of birth and signature can be generated upon request ("Corrections' ID"). The same or a similar form is provided to prisoners when they are exiting the prison.

During incarceration:

Len's story

Prior to Len's recent imprisonment, he had taken out a personal loan and set up a regular direct debit from his Access Advantage Account. Without access to a phone or internet, Len did not know how to contact the bank or the creditor to let them know that he was in prison. Correctional staff had limited capacity to assist due to time constraints at their end - it is the policy of Corrective Services that a Corrective services staff member be in the room when a call to a financial institution is made. This limited capacity was further compounded by long wait times on the phone in accessing the bank.

Len's direct debits continued, and his now overdue loan account was attracting additional interest and fees. In addition to these fees, the direct debits had resulted in his Access Advantage Account being overdrawn with associated fees incurred. Fortunately, Len was able to obtain assistance from an ICAN Financial Counsellor who assisted him to suspend the direct debit. Len however, had no way of clearing his now overdrawn bank account or prevent further monthly fees (which are a feature of the Access Advantage Account), without closing his account. Len was reluctant to close the account given that he was unable to open a new one whilst imprisoned and had no access to a branch in his very remote community. Without an account, Len would not be able to receive regular Centrelink or wages post his release. Len also worries that any money deposited into his current account (for the purposes of supporting him immediately after release) would be absorbed by the bank fees and charges.

Joe's story

After recently coming into custody, Joe requested financial counselling support to contact his bank regarding his mortgage and other outstanding debts. A signed financial counselling authority ("FC Authority") was provided to the Hardship team within the bank who were quickly able to identify the mortgage and other debts in Joe's name, one of which was sitting with their Bankruptcy team. The financial counsellor was advised that she would therefore need to speak with the Bankruptcy team directly to obtain further information regarding the debts held by this team because the Hardship team didn't have access to a full record of the account.

Following a series of unanswered phone calls to the Bankruptcy team, the FC Authority was sent via email and a call back requested. The financial counsellor received an email from the Bankruptcy team in response advising that the FC Authority could not be accepted without an address. The financial counsellor then supplied the address that Joe had provided her to the Bankruptcy team. This was the same address that the bank had a mortgage over and was Joe's usual place of residence. However, the Bankruptcy team responded to the effect that the customer's address did not match the address on their records and therefore they could not accept the FC Authority.

Without Joe or the financial counsellor knowing what address was on file, they were unable to provide the correct address and the Bankruptcy team were unable to provide further details, including balances and the status of the account to the financial counsellor. The information from the Bankruptcy team was critical to the internal Hardship team being able to assess and approve hardship over the mortgage. The financial counsellor therefore went back to the Hardship team via email, requesting the specific address on file. She received a response that this information could not be provided by email due to the sensitive nature of the information and to please call the Hardship team. The financial counsellor then called the Hardship team only to be advised that this information could not be provided over the phone. However, upon referring to the email sent by that team, the representative put the financial counsellor on hold and sought further guidance from their supervisor. The address on file was eventually provided. This should allow the financial counsellor to go back to the Bankruptcy team and obtain the required information to provide back to the Hardship team and advocate with the Bankruptcy team in relation to the personal loan.

Contact with the Hardship team revealed that the problems relating to the address arose out of two different ways in which the address is known. So instead of being 76 Main street as Joe knew it, it was 76 – 78 Main Street. During the same conversation with the Hardship team, it was also confirmed that different teams had different identification processes for financial counsellors - the Hardship team could accept the FC Authority in the first instance and reveal the address that was recorded on the file, whereas the Bankruptcy team could not. It took multiple, time consuming phone calls and emails to get to the point where all relevant teams within the bank would acknowledge the FC Authority and therefore provide information to support their customer.

22. We ask the Reviewer and the ABA to genuinely reflect on what the above scenario looks like from the perspective of an incarcerated person without any support. Someone who has limited or no access to phone or email and for whom handwritten communication by post is the only form of communication that they can initiate and engage in themselves. In this matter, we weren't dealing with an insignificant debt, we were dealing with a mortgage and the potential loss of the person's home through bankruptcy proceedings. The above scenario highlights the multiple barriers to access; opaque processes; inconsistencies in internal approaches between departments; and communication failures between departments. Why was the burden placed on the prisoner and the financial counsellor to have to communicate with the Bankruptcy team to get the information that the Hardship team required for both teams to support their

customer? In our view, it highlights the need for a dedicated team within the bank to navigate these challenges.

23. Once a person is incarcerated, whether on remand or following sentencing, they will typically receive no source of income beyond the small payment which is provided by Corrections for limited food, clothing, stamps, and phone calls. They do not receive Centrelink or other welfare payments. Access to and management of their bank account therefore becomes critical in being able to maintain any semblance of dignity through the purchase of basic hygiene items such as soap, toothpaste, deodorant etc. Items we all take for granted.
24. The Corrections system prohibits the use of personal phones and internet, and a limit is placed on the number of people and/or businesses that a prisoner can nominate on their call list. Relevantly, phone numbers for financial institutions must not be among the listed numbers.⁹ Phone calls must be paid for by the prisoner themselves (other than those who are on the prescribed community list such as state funded legal services and the State Penalties and Enforcement Regulator (SPER). Prisoners cannot receive incoming calls. Relevantly again, correctional staff must be present in the room when a prisoner is making a call to a third party who is not on the approved telephone list. Critically however, we are aware of some banks refusing to then talk to the prisoner because there was a third party in the room as the bank had privacy concerns.
25. There is some limited information about banking that is provided to people upon entering the prison. This includes outlining bank processes for new prisoners wanting to:
 - Contact the bank
 - Request a statement for their account
 - Stop direct debits to prevent overdrawing the account
 - Put a block on an account; and
 - Transfer funds into their prison trust account
26. A paper-based banking request form is used to facilitate basic requests listed above. Recent changes in process by the banks now require these forms to be witnessed and signed by a Justice of the Peace (“JP”). This has significantly impacted the timeframes for processing these requests as access to JP’s is limited.
27. Corrections staff report that up until recently, when requested by the prisoner, they were able to put a block on the prisoner’s account to prevent possible financial abuse. Several banks have subsequently advised that they are no longer able to act on this request without speaking directly with the prisoner. This was reported to be in response to a “duty of care”. At best this adds significant time delays, and at worst, denies access for the same reasons highlighted above when trying to make a call with a third party in the room.
28. Most of the above processes require the prisoner to be able to either recall their account information (including passwords) or be able to sufficiently identify themselves using standard forms of identification which a prisoner will not have on them. Further, there are currently no avenues for opening a bank account or changing the type of account from a fee-paying account to a fee free Basics Account.

⁹ Qld Corrective Services, *Prisoner Entitlements: Prisoner Communications, Custodial Operations Practice Directive*, effective as of 1 July 2021

29. Where signatures don't match, banks are requesting a signed identification letter from the General Manager of Corrections to prove the identity of the prisoner and the legitimacy of the request. This is cumbersome, lengthy, and expensive for the prisoner as they must pay for postage more than once.
30. A few prisoners also experience being "Off Boarded". This means their bank account is closed by the bank without any explanation as to why and they have no capacity to open another account with the same institution. They may experience 'off boarding' by more than one bank.
31. With no single point of contact within their bank, there are reports of letters being lost in transit and banking requests not being processed. When this is the only form of communication the prisoner can use with the bank, this results in significant time delays and stress.
32. Where a prisoner has nominated a Power of Attorney, there have been many anecdotal reports of these not being accepted at a branch level.

Upon Exit:

33. Upon exiting prison, many of the people we work with may be discharged with little or no capacity to present at a branch. With fewer branches open, the nearest branch may be many kilometres away from where they are initially dropped off following release. The timing of their release may mean that the branch is closed. They may have no transport to a branch, or as is often the case, they may be transiting home to a regional or remote community where there are no branches. Remaining in a regional centre is not an option due to accommodation costs, lack of own transport, unfamiliarity with the town, lack of any support and family connections and commitments back home. The need to present at a branch is often because of accounts being suspended/blocked or closed.
34. Some people are unaware they have been off boarded by banks until they try to use their account after being released. Some people, because of extreme frustrations expressed within the bank at not being able to activate or open an account are consequently off boarded.
35. As indicated in the reports referred to previously, a significant number of ex-offenders are vulnerable to homelessness post release all whilst continuing to struggle with their mental health. What often results are challenges with opening bank accounts, keeping keycards and critical bank account information secure and in turn, maintaining access to their bank accounts. Critically, we have learned that there have been challenges with banks accepting Corrections' ID as providing 100 points of ID. With no other forms of ID available, an account will not be opened or unblocked following suspension meaning the person cannot start to access what little money they may have or any form of income or financial support, such as Centrelink. Obtaining relevant identification from typical sources can take time and people may face additional hurdles. For instance, they may be unable to obtain their licence due to an outstanding SPER debt.
36. Support staff in agencies that assist people transitioning out of prison report that it has been critical in supporting their clients that strong relationships are developed at a local branch level with staff who are able to use discretionary power to enable access to services. This access is contingent on the prisoner being linked into the transitional support agency, having the support person present at the branch and the relevant branch being close enough for the person to access it.

Sam's Story

Following his release from prison, Sam was supported by a local mental health support worker to attend his local CBA Branch in person to reopen his bank account which had been closed while he was in prison.

While the local Branch Manager could confirm that his Correctional ID documentation met the bank's 100-point requirement, as his existing profile within the bank included his middle name and the Correctional ID did not (despite all other ID indicators corresponding), she was unable to open an account for his Centrelink money to be deposited.

Feedback provided to Correctional Staff Member by Community based Mental Health Worker.

37. The case study below does not specifically relate to banking. However, it highlights the barriers to identification that are faced by people exiting prison.

John's Story

*John was recently released from prison and was without any identification other than his Corrective Services release paperwork. Prior to his release John had been encouraged to apply for his Qld Transport Proof of Age Card **whilst in prison**. This is because Qld Corrective Services had negotiated a streamlined process with Qld Transport whereby Corrections ID would be an accepted form of ID to meet the 100-point requirements for Qld Transport. John however did not have the \$73.00 to pay for the Proof of Age card.*

Having been released and now able to pay the Qld Transport fee, John was unfortunately unable to take advantage of the streamlined process established by Corrections and Qld Transport because he was no longer in prison, which was a requirement of the streamlined process. He therefore had to meet the standard 100-point requirements. John applied for his Medicare Card and a new ATM Card, both of which can take weeks to arrive in the mail. Having reapplied for Centrelink, he was also issued a Health Care Card. To meet the 100-point requirements however, John would need his birth certificate or Passport. To apply for his birth certificate, he would need a Proof of Age Card, Drivers Licence or Passport. In short John faces a predicament in which he is unable to get a birth certificate without a proof of age card or licence and is unable to get a proof of age card or licence without a birth certificate. John remains without photo ID which in turn impacts his ability to prove his identity for banks, prospective employers, and real estate agents.

38. The above barriers arise in the context of the Queensland Corrections system and while very similar barriers exist for prisoners across the country, there may be some differences state by state and prison by prison.

RECOMMENDATIONS

Consistent and Transparent Policies and Practices

39. It became very clear, very quickly in supporting men in LGCC with their banking issues that banking policies and practices with respect to providing services to incarcerated people varies from bank to bank as well as between Departments, Branches, and individual Customer Service Officers. Through our advocacy with banks regarding their practices in dealing with their incarcerated customers, we have learned that established practices may not be enshrined in

policy or, where policies exist, these are not made publicly available and clear to the customer or their support person. Further, some banks have a better understanding of the unique barriers faced by their incarcerated customers than others. The impact of inconsistent and opaque policies are significant delays as prisoners and / or their support staff are transferred between departments who each have a different view or approach to the situation; inequitable outcomes for bank customers; and, at worst, incarcerated customers no longer having access to bank accounts and services and therefore no ability to receive an income or manage their financial situation.

40. As stated previously, the corrective services system imposes a unique set of rules and regulations upon both the incarcerated person and the institutions, such as banks, that they continue to require services from. These rules and regulations can vary between states and prisons. Accordingly, for banks to remain inclusive and accessible while the person is inside, they need to have tailored policies and processes for engaging with their incarcerated customers that take account of how the different corrective services' systems operate. Furthermore, these policies and processes need to be understood by the different departments and roles within the bank that may engage with the prisoner as well as being transparent and available to the prisoner and their support person.

Recommendation 2 – Introduce a Code commitment within Chapter 13 that requires banks to have:

- a) Tailored, consistent and transparent policies and procedures to ensure that people in prison can continue to manage their finances through having access to banking services; and
- b) a team that is appropriately resourced and equipped to:
 - i. understand the operation of the different corrective services systems within Australia and the consequent needs of incarcerated customers;
 - ii. provide advice to other departments within the bank which may have contact with a prisoner; and
 - iii. provide appropriate support to prisoners, their financial counsellors and other advocates working with prisoners.

Improved Identification Processes

41. One of the most critical barriers faced by the people we are working with inside and outside prison is the refusal by banks to accept the Corrections' ID as satisfying the required 100 points of ID needed to engage in banking services. In our experience, there are inconsistencies in how different banks and different staff within banks and branches might deal with this identification document. The AUSTRAC Guidance for Identifying Customers who don't have conventional forms of ID should be interpreted broadly such that the identification used by government Corrective Services to confine people in prison satisfies the 100 points of ID required by banks. Further, bank processes, online document upload options, should allow for this form of ID to be used.

Recommendation 3 – Introduce a Code commitment that requires banks to accept Corrective Services identification paperwork as satisfying the required 100 points of ID needed to engage in banking services.

42. If the above recommendation is not accepted, we urge the Code Reviewer to make explicit that the AUSTRAC Guidance for identifying customers who don't have conventional forms of ID be

applied by ABA members in its broadest sense. We note that in our experience, banks are interpreting the Guide narrowly. Particularly, in relation to its application to Aboriginal and Torres Strait Islander peoples, where only the discrete list of four alternative options referred to under the section on Flexible approaches for Aboriginal and Torres Strait Islander customers appear to be used. This list of four options should be viewed as providing an additional set of options to be used alongside the broader list of alternatives provided within the guidance, rather than be read as the only options available for Aboriginal and Torres Strait Islander customers.

Fee Free Bank Accounts

43. Another specific barrier that we have identified through our work in LGCC is the failure by banks to inform their incarcerated customers of the option to move to a fee free Basics Account once they enter prison. As the Joint Submission by consumer advocates highlights, this is not unique to the prison setting. However, there are two specific barriers for people in prison to take advantage of fee free accounts. The first is that the Code currently only directs banks to provide information about fee free bank accounts if the person receives a Commonwealth pension or concession. People in prison don't receive any such income or support and therefore are not supplied with information about fee free accounts. The additional challenge for people in prison are the limitations on the person's ability to change accounts once inside.

Recommendation 4 – Chapter 15 of the Code should be amended to include reference to people with low or no income, including prisoners. The last sentence of clause 43 should be deleted. There should be an additional Code commitment that banks will ensure prisoners are provided with the option of transferring their account to a fee free account without the requirement to attend a branch or provide further identification.

Off Boarding Information

44. We urge the Reviewer to address the issue of 'off-boarding' people in prison. In the experience of the people we see inside prison, banks do not provide any explanation for why their account has been closed; the facts of their situation that led to the closure; or the options the person has for either re-opening the account and/or appealing the decision. This creates significant barriers and stress for people both while incarcerated and when transitioning out as they face the consequential challenges referred to earlier in trying to open accounts. We understand that there are anti-money laundering and counter-terrorism laws governing the reporting requirements on banks which prevent banks alerting someone in the event their account is reported to law enforcement agencies. However, in our experience the people we have spoken to would not be caught by these laws.

Recommendation 5 – The Code should commit banks to providing transparent policies for when and why they will close a person's bank account. These policies should make explicit that off boarding is an option of last resort and only used where the person poses a clear and present risk of engaging in the conduct prescribed by the policy.

Conclusion

We urge the Reviewer to make the recommendations referred to above and for the ABA to implement same as a matter of urgency. The multiple barriers to accessing banking services experienced by incarcerated people, mean that people are excluded from these essential products and services. This impacts not only their rehabilitation but also significantly impacts their families

and the people on the outside who depend on them. Most people inside prison are the very people that the Code currently commits member banks to engaging with inclusively and with extra care. Explicitly committing to provide inclusive and accessible services to people while they are in prison and as they transition out is closing a critical gap in the Code's current commitments and ensuring that banks continue to meet community expectations.

Please contact Jillian Williams at ICAN on 0488 225 527 or at jillian.williams@ican.org.au if you have any questions about this submission.

Yours Sincerely,

A handwritten signature in black ink that reads "Jillian Williams". The signature is written in a cursive style with a large, looping initial 'J'.

Jillian Williams

Operations Manager

Indigenous Consumer Assistance Network