



Safety first for bank products to address financial abuse

26 July, 2023: New measures to combat financial abuse using banking products have been welcomed by the Centre for Women's Economic Safety (CWES).

Westpac has today announced it will embed Safety by Design principles into the design of all the bank's products.

The bank will also train its product development staff in customer safety and update its terms and condition with a "zero tolerance policy" for customers who use the bank's products and services to engage in financial abuse.

The announcement comes in response to the CWES' *Designed to Disrupt* report which Westpac backed when it launched in late 2022.

CEO of CWES, Rebecca Glenn says "This is great news for victim-survivors of financial abuse, who carry an enormous burden trying to create safety. Any steps banks can take to reduce that burden, mitigate harm and make it harder for perpetrators to misuse products is welcome news.

"We are especially pleased to see a commitment to embedding safety into product design.

"We believe this is a new frontier of innovation in the banking sector, and we're excited by the possibilities of rethinking products which are past their used by date."

Today's news follows the announcement last month by NAB and the Commonwealth Bank that they will change their terms and conditions on a range of bank products to address financial abuse.

Designed to Disrupt author and Adjunct Associate Professor at UNSW School of Social Sciences, Catherine Fitzpatrick, says "Three of Australia's major banks have now signalled their intent to lift the bar on what is acceptable customer behaviour.

"By declaring that financial abuse is among the reasons that customers will be warned, suspended or exited from the bank, they are challenging the condoning of violence against women – which Our Watch research shows is an essential action to end gendered violence.

"Those who choose to misuse banking products to cause financial harm are on notice. By putting the focus on perpetrators of financial abuse, the banks will improve financial safety for victim-survivors."

In its **Designed to Disrupt** report published late last year, the CWES called on all Australian banks to redesign products to improve financial safety. It called for banks to start by changing their terms and conditions to make it clear that a bank account is no place for



abuse and that they will take action against customers who misuse their products to cause harm.

In March, CWES conducted a desktop review of the T&Cs of the 20 Australian Banking Association (ABA) member banks to measure the baseline and found:

- None of the 20 banks referenced financial abuse in T&Cs
- 9 banks describe the misuse of payment descriptions to send abuse as unacceptable behaviour
- 6 banks describe the consequences for the misuse of payment descriptions to send abuse, with 4 citing it as a reason to close an account.

The [Designed to Disrupt report](#) draws on the eSafety Commission's Safety by Design for the technology sector and proposes the finance sector commit to a tailored framework. The report outlines changes to financial product design to improve safety and counter the ways products are weaponised. For example, setting up every joint account with separate passwords, logins and portals for each person so it's simpler and safer to separate if the relationship ends or is abusive.

For more information about CWES: <https://cwes.org.au/>