

SELECT COMMITTEE INTO ELDER ABUSE

INQUIRY INTO ELDER ABUSE



TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 25 JUNE 2018

Members

Hon Nick Goiran, MLC (Chair)
Hon Alison Xamon, MLC (Deputy Chair)
Hon Matthew Swinbourn, MLC
Hon Tjorn Sibma, MLC

Hearing commenced at 9.52 am

Mrs SHARIFAH COSGRIFF

Chief Operating Officer, Personal and Business Banking, Bankwest, sworn and examined:

Mr ROBERT CORY

Head of External Operations, Bankwest, sworn and examined:

The CHAIRMAN: On behalf of the Select Committee into Elder Abuse, I welcome you to this public hearing today. This is our final of 18 public hearings in this inquiry. Before we begin, I must ask you both to take either the oath or affirmation.

[Witnesses took the affirmation.]

The CHAIRMAN: You will have both signed a document entitled "Information for Witnesses". Have you read and understood that document?

The WITNESSES: Yes.

The CHAIRMAN: These proceedings are being recorded by Hansard and broadcast on the internet. Please note that this broadcast also will be available for viewing online after this hearing. Please advise the committee if you object to the broadcast being made available in this way. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record and please be aware of the microphones in front of you, try to talk into them and ensure you do not cover them with papers or make noise near them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that your evidence is taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. We do have a number of questions for you this morning. But before we do, would either of you like to make an opening statement to the committee?

Mrs COSGRIFF: I would. Bankwest appreciates the opportunity to participate in the Legislative Council of Western Australia's inquiry into elder abuse. The issue of elder abuse is a complex and growing concern in our community and, as a Perth-based national business, we are focusing specifically on the case of elder financial abuse in relation to this inquiry. We are committed to working with government and stakeholders to help vulnerable Australians, especially elderly people in our community, better understand and protect themselves from the risk of elder financial abuse. We recognise and embrace our obligation to support customers who we suspect are at risk of or subject to elder financial abuse. We recognise also the limitations we face in doing so and the need for a relevant external agency to be equipped and empowered to investigate and take further action to support our customers.

We train our colleagues to identify signs of financial elder abuse and to escalate their concerns, but we are generally not in a position to make determinations about the mental competency of a customer and the level of coercion or influence that they may be facing from an external third party. We recognise the need for a coordinated approach to addressing the risk of elder abuse across all states and territories and we strongly support the Australian Banking Association's

recommendations to standardise power of attorney legislation to create a national online register of power of attorney orders and to create a designated body to report financial elder abuse. With 15 per cent of the population now aged 65 and older and said to be growing to 25 per cent by 2055, there is indeed a growing need for a coordinated response to overcome the inconsistencies of practice between the different jurisdictions. We welcome the leadership role that this committee is playing in proactively addressing this.

The CHAIRMAN: Thank you very much. It has been the practice and custom of the committee throughout this inquiry to take witnesses through each of the terms of reference. I will start with the first, which is for the committee to determine the definition of “elder abuse”. Is Bankwest aware of any definitions of “elder abuse”; and, if so, what definitions do you use in your policies and guidelines?

Mr CORY: We note from the recent elder abuse summit, which we participated in and we were delighted to do so, that definitions of elder abuse are far-ranging and widespread. Our participation in this inquiry focuses specifically on elder financial abuse. If I may just read from my notes, I will provide you with the CBA Group’s definition of “elder financial abuse”. The CBA Group generally defines elder financial abuse as a misappropriation of financial resources or abuse of use of financial control often in circumstances where there is a trusting relationship which causes harm to an older person or persons. That is the definition of the CBA Group, of which Bankwest is a division, purely in relation to elder financial abuse.

The CHAIRMAN: For the record, CBA is?

Mr CORY: The Commonwealth Bank of Australia.

The CHAIRMAN: We will move to term of reference 2, which is to look at the prevalence of elder abuse. You might be aware that the federal government has commissioned some research into this, but in Bankwest’s experience, is the prevalence of financial elder abuse increasing?

Mrs COSGRIFF: It is logical to assume that as the population is ageing, it is increasing. There are increased cases being reported to us, but we have traditionally reported under an umbrella of vulnerable customers. In the case of elderly financial abuse, what we see most prevalent is fraud and scams. As an example, in the last year we have had in excess of 1 000 cases reported to us. We do know firsthand, due to the complexity of the situation that we face, a lot of our customers actually feel embarrassed to speak about it. Rob had mentioned abuse of trust et cetera, and in terms of families with cultural norms et cetera, we believe that a lot of cases do go underreported. We think that in terms of education, as an example from the elder summit that we attended last week, and the educational material such as the posters to actually explain to people what it is, that we will see more and more.

What we do for our colleagues within Bankwest is we train them to look out for signs of financial abuse. That would look like identifying what we call the three Cs and they are confusion, coercion or changes on their accounts. Additionally, in terms of our dealings with a customer’s financial outlook, we talk about having brilliant orange conversations. That is a framework for really digging deeply into the financial goals of a customer and what they want to do with their wealth et cetera.

The CHAIRMAN: You have identified frauds and scams as being the most prevalent form. That is probably a useful segue for us to the forms of elder abuse.

Hon ALISON XAMON: Are you keeping any formal data that is documenting either concerns or verified elder abuse when it is occurring? You mentioned that you have categories of dealing with honourable people, but are you keeping any specific data about issues of elder abuse?

Mrs COSGRIFF: We certainly do. In terms of escalation of vulnerable customers or elder financial abuse being a subset of vulnerable customers, we keep information about the escalation and outcome. We have various amounts of different case studies outlining financial elder abuse. We have a team of 16 professionals dedicated to escalations and we have a number of other teams that sit behind that such as our hardship team, further supported by our call centre and our branch network.

Hon ALISON XAMON: How long have you been keeping that specific data?

Mrs COSGRIFF: For vulnerable customers?

Hon ALISON XAMON: For vulnerable customers who have been subject to financial elder abuse.

Mrs COSGRIFF: It is encompassed under “vulnerable customers”. I cannot state when it started to be recorded, but we are iterating our reporting to have codes for the specificity within each of the categories, elder abuse being one of those categories.

Hon ALISON XAMON: As I am sure you appreciate, it has been a challenge to try to get some firm data on issues of prevalence for some of the reasons you outlined in your opening statement. One of the things that is useful to know around financial elder abuse is when it is abuse of enduring powers of attorney as opposed to people simply befriending and effectively emotionally manipulating people into handing over money. I noticed you have talked about those sorts of scenarios in your booklet. I want to be really clear that the specificity of the data to that degree is not being kept.

Mrs COSGRIFF: Not at this point in time.

Hon ALISON XAMON: The other question I want to ask, if you could keep this in the back of your mind as the hearing progresses, is that it sounds as though a lot of identifying elder abuse is reliant on face-to-face customer contact, but of course we are moving into a world where we have less and less of that and there is more electronic banking. I would be curious to know what the bank is doing to try to mitigate the risks associated with losing that face-to-face contact.

Mrs COSGRIFF: In terms of moving online, we look at that as a channel of choice for our customers. It does not only occur in terms of face to face in a branch, it also occurs when we are listening to customers in the call centre. In terms of online specifically, we have a number of fraud measures to understand whether account behaviour et cetera is changing, and it would trigger. I will give you an example: a customer was about to do an international money transfer yet never had done one previously. I do not say too much while were being recorded about our fraud things, but that would be an example of something that would raise an alert to us. It might look like us calling the customer to verify whether something untoward was happening. In terms of where it does complex, we do believe that our customers have both privacy and agency in their own right, so it is quite a precarious position that we are put in when determining whether something is a legitimate transaction or not. Indeed, there have been instances when we have raised matters with the customer about account activity that they have then complained to the Financial Ombudsman and we have been found against for pointing out what we thought was strange activity on the account. It is complex because of the family circle that surrounds, and it is very difficult to tell whether people are acting in the best interests of the elderly or in fact it is what the elderly person has asked the family to help them with.

The CHAIRMAN: I just want to tease out this complaint before the Financial Ombudsman. Instinctively, it sounds a little odd, if the bank is acting in good faith, these are a concern, raises the concern with the customer, not because the banks got nothing better to do with its time, but because of the concern for its customer and the customer’s wealth, and the customer complains. I am not quite sure what the basis of the complaint would be. Perhaps you could just indicate what

that is and what would the Financial Ombudsman find? Would he find that the bank was too friendly and its customer service? It does not ring true.

Mrs COSGRIFF: It would be found as an invasion of privacy. For example, a person has a power of attorney over an account and then we have gone out of our way to contact the person or the customer and when the person who is holding a power of attorney finds that out, and indeed the elderly person, both parties can complain about that in us using our power of the data that we have at our fingertips to question the conduct of the account.

The CHAIRMAN: This is a very important point, because the misuse of powers of attorney is a concern that has been raised with this committee. It just strikes me that a person, whether the bank or otherwise, who receives a power of attorney, quite rightly needs to satisfy themselves that the document that have received is not a fraudulent document. If there is some form of prima facie concern, that would then require further interrogation, not to do so would have the other effect of the potential complaint and possible compensation flying from it. I am just curious about the fact. People can put in a complaint; they are always at liberty to do that. But the fact that it has been upheld by the ombudsman intrigues me.

[10.10 am]

Mrs COSGRIFF: In terms of where we have doubts around the power of attorney, we seek advice from our own legal counsel within the group. It is in the case of where, even though a power of attorney exists for a customer, we believe that behaviour there that the person holding the power of attorney is not in fact acting in the best interests of our customer.

The CHAIRMAN: Is this a one-off complaint or is this happening on a semi-regular basis?

Mrs COSGRIFF: Just to clarify, do you mean in terms of the FOS findings or do you mean in terms of power of attorney or both?

The CHAIRMAN: I am really talking in terms of the finding. Obviously, as I said earlier, people can put in a complaint; they are at liberty to do that. But how regularly is the ombudsman finding that the conduct of the bank is, I think in your words, invading somebody's privacy?

Mrs COSGRIFF: It is not to my knowledge that it is that frequent, but we do have findings against us for multiple instances there. If it pleases the committee, I would be happy to furnish you with those details.

Hon ALISON XAMON: That would be very helpful; thank you.

The CHAIRMAN: These findings are not on the public record, I assume.

Hon ALISON XAMON: It is a question; are they?

Mrs COSGRIFF: I am not sure.

The CHAIRMAN: If that could be taken on notice. There may be other matters that are taken on notice today, so we will make this question on notice 1. The committee will write to you about the matters that are taken on notice.

Hon ALISON XAMON: Just to wrap this up, just to confirm then, after the Financial Ombudsman made that ruling, did the bank then change its behaviour to be less likely to investigate concerns?

Mrs COSGRIFF: Absolutely not. One of our core values in Bankwest is how we care for both our colleagues and the community. In addition, in terms of our staff performance et cetera, how we interact with the community and our customers more specifically is quite a substantial weighting of what we task our colleagues with. You should not underestimate the actual impact of behaviours like this that we witness in the call centre and in the branch network and how that actually affects

our colleagues. I could only say that it makes our colleagues more determined to look out for the broader community, not less.

Mr CORY: If I may just add, we always need to balance our desire to address our concerns with the rights of the customer to have privacy and confidentiality. So it is an ongoing challenge for our colleagues in determining that, which is why we support the ABA's recommendations that an external agency be developed whereby organisations such as banks can report suspected cases of elder abuse to an agency that has the legal powers and is appropriately qualified and equipped to then fully investigate suspected cases, especially of elder financial abuse in the interests of the customer.

The CHAIRMAN: What is the penalty or the consequence of a finding by the ombudsman in a case like this?

Hon ALISON XAMON: Is it just a report to Parliament?

Mrs COSGRIFF: It could be a potential monetary impact to us, as well as the imposition that we need to take a number of courses of action.

The CHAIRMAN: So the ombudsman can set some penalty, including financial?

Mrs COSGRIFF: That is correct.

The CHAIRMAN: We look forward to receiving the information on notice.

Hon TJORN SIBMA: You might have to take these on notice as well, but it is related to prevalence. I just want to try to get a sense of potential risk. These questions pertain solely to customers resident within the Western Australian jurisdiction. Can you give an indication of the number of retail customers you have who are 65 or older?

Mrs COSGRIFF: Sure. In our entire portfolio for Bankwest, that is 171 000 customers aged 65 or over, so that accounts for around 15 per cent. In terms of specific to Western Australia alone, that is around 106 000 at 10 per cent.

Hon TJORN SIBMA: A following consequential question is: what do you estimate the value of deposits or funds under management to be for that particular cohort, particularly in Western Australia? I am trying to get the value.

Mrs COSGRIFF: Certainly. I would have to take that on notice.

The CHAIRMAN: We will make that question on notice 2.

Hon TJORN SIBMA: The third one is: are you able to provide some insight into the number of cases where suspicions of financial elder abuse are under internal review or investigation by Bankwest? Do you have a sort of pool of cases that are sort of internally discharged; and, if so, could you provide some insight into the number and the sorts of cases you are looking at?

Mrs COSGRIFF: We always have cases or escalations and numbers of complaints that are ongoing.

Hon TJORN SIBMA: Could you estimate the number currently?

Mrs COSGRIFF: That are specific to financial elder abuse?

Hon TJORN SIBMA: Yes.

Mrs COSGRIFF: In the reporting from open cases, there are probably around four at this point in time.

The CHAIRMAN: And that would be pretty typical, like a static-type figure—about a handful?

Mrs COSGRIFF: Yes and no. If I might clarify that, sometimes there is an increased spike or spate. For example, if there is a Telstra scam or romance scams, then we might see an increase there.

The CHAIRMAN: Members, is there anything further on prevalence? Otherwise, we will move on to forms of elder abuse, although we might not stay here very long because I think we have unpicked that quite a bit. You did say earlier on that the two main forms that you come across are frauds and scams. Are they grouped together in Bankwest thinking or categorisation, or is there a definitional difference between the two?

Mrs COSGRIFF: They come under the same remit, but we are starting to report on those separately. Recognising the need for more granular reporting, we are actually working to build out our reporting now, as well as change it to a different system to be able to readily draw data. If you have a little look on pages 4 and 5 of the "Safe & Savvy" guide, we list 10 common forms of elder financial abuse and things that we see most often are fraud and scams, as well as power of attorney. The guide makes the following observations that quite often the abuse entails a power imbalance, often not technically illegal because abuse of trust, for example, is not technically illegal and it is psychological as opposed to physical harm. If it is helpful to this committee, I have a few examples of case studies that you might like to hear of.

The CHAIRMAN: Yes, indeed. In fact, pages 4 and 5 and the 10 common forms of financial elder abuse I find very helpful. I do not know that we have had it helpfully set out like this previously in our hearings talking about the abusing of power of attorney; pressure, threats and intimidation; frauds and scams, which you mentioned earlier; abusing family agreements, which we have certainly heard of; improper use of funds; theft; inheritance impatience; guarantors gone wrong; failure to provide promised care; and emotional blackmail. We certainly thank you for that helpful list, but, yes, if there are some case studies.

Hon MATTHEW SWINBOURN: Chair, while we are dealing with this, can I ask some questions about this document?

The CHAIRMAN: Yes, let us do that and then we will go to the case studies next.

Hon MATTHEW SWINBOURN: How long has this document been in circulation for?

Mrs COSGRIFF: The Commonwealth Bank of Australia has produced this document that went out around two weeks ago. This is a copy of Bankwest's, which is yet to be made public, but CBA's already has been. For both CBA and Bankwest, you will be able to find that on the website, as well as provided in branch for our customers.

[10.20 am]

Hon MATTHEW SWINBOURN: Can I ask what sort of kicked off CBA and Bankwest to produce this document, other than the fact that elder abuse is an emerging issue? What was it that made you invest, clearly heavily, in this material?

Mrs COSGRIFF: On the front cover, you will see who it was done in conjunction with. The CBA customer advocate, which is an independent part of the group run by Dr Brendan French, has spent quite a lot of time, actually nationally, investing in communities and understanding the different regions of Australia. So it was borne out of that.

Hon MATTHEW SWINBOURN: In here, it refers to "We know that people over the age of 50 are at risk of financial abuse, scams and fraud." We have talked about people 65 and over, but this refers to people 50 and over.

Mrs COSGRIFF: That is right.

Hon MATTHEW SWINBOURN: What is the rationale behind 50, here?

Mrs COSGRIFF: In terms of things such as scams and fraud, it is at around this age of 50 where people are computer literate and face situational happenings whereby they fall prey to the scams and fraud. So we are capturing it at a point where we are seeing the most prevalence.

Hon MATTHEW SWINBOURN: What is your strategy for getting this out into the community and to your customers more specifically?

Mrs COSGRIFF: It will be available on our public website and it will be available in all of our branch networks and business centres.

Hon ALISON XAMON: Would there be any suggestion that, as soon as an enduring power of attorney is lodged with your bank, that this might be a standard document that is then forwarded through? One of the things I am aware of as well is that EPAs often will not even recognise that what they are doing constitutes elder abuse. I am thinking particularly of the improper use of funds and those sorts of things. Sometimes it needs to be almost an eye-opener to say, "Look, are you actually aware you can't do this?" Is there any suggestion that the bank might be able to be proactive in that regard?

Mrs COSGRIFF: In instances, we do produce a letter to our customers that is provided in-branch or is sent to our customers to advise them to be on the lookout. Specifically, Ms Xamon, your question about this has not come up before, but it is definitely something that we can consider.

The CHAIRMAN: Is there anything further on this?

Hon MATTHEW SWINBOURN: I just commend the bank for doing this.

Hon ALISON XAMON: Yes, it is good.

Hon MATTHEW SWINBOURN: I cannot say that we have as comprehensive a response from some your competitors and we think this is obviously an emerging area, which the banks have a really key and important part to play. I would just like to say that I am quite impressed and, as I say, you should be commended for the efforts that you have put into that.

Mr CORY: Thank you.

Mrs COSGRIFF: Thank you. I will pass that to our group advocate and Dr Brendan French. Most specifically what it does is it actually brings the situation to light, which is what I find is an easy talking tour because again, a lot of people identify physical abuse as opposed to the other things that can occur in families.

The CHAIRMAN: Just before we move to the case studies that you referred to, is there any difficulty with the committee making this document public for our purposes?

Mrs COSGRIFF: No, that is a copy, so please feel free.

The CHAIRMAN: Thank you. You referred to some case studies you wanted to draw to our attention.

Mrs COSGRIFF: I do have a number here. The first one is an example of that which involves a power of attorney.

Mr CORY: A copy of this particular case study has been provided to the committee in the pack as well.

Mrs COSGRIFF: Because you do have a copy, I will just give you the loose thread so that we might be able to cover some others off as well.

In this instance, we will say customer B has two adult children—one residing in Australia and one residing overseas. The customer sought at the beginning of the year to have a power of attorney that was shared with those two children. Then as recently as a few months ago, the customer called up our call centre and son 1 was on the phone. This is quite a normal thing, as you can appreciate,

calling up the call centre and wanting a change on your accounts, but if you remember back to the three Cs before, change is one of the things that we look for. So an elderly person moving from your traditional accounts to an online account is a trigger for us. At the time, the conversation went fine—there was no problem—but there were increasing signs over the next few weeks around what son 1 was wanting to do. The customer was asked to present in-branch because over the phone, you are not able to see the customer and because our call centre operator could hear in the background that the mother was saying to the son she did not want it, so asked them to present to the branch. Our practice when we ask them to present into a branch is that we will attempt to speak to that person alone. During the course of that conversation, we understood that it was not actually what the elderly customer's wishes were. An example of how it gets fraught with complexity for us is she has expressed that to us, but there is a power of attorney that is held by family members. That makes it difficult for us to act in that instance.

What we did to is we got permission from the customer to speak to the other child that was overseas. So those discussions are ongoing with the family at the moment. So we did not do what the person holding the power of attorney wanted because the second holder of the power of attorney was overseas. It is just an example of how quite tricky it does get for us. That is one example. Do I have time for another one?

The CHAIRMAN: Yes, go ahead. It is helpful.

Mrs COSGRIFF: Okay. This is a case of a scam that is going around. One of our customers received an email to say that they were due a refund. The customer was tricked into logging online and when she logged online, she saw her mouse moving around the screen and the person was actually operating the computer remotely and speaking to the person around investments et cetera. She had said, "Don't touch my investments" and he said, "No, no; it's all fine," but he distracted her while he actually set up payments and told her that he would send details with text messages. Shortly after that interaction, she saw the money had actually gone from her account. Again where it gets complex is the elderly customer has actually provided her password details et cetera to the fraudster, so, in that situation, she has actually helped the third-party take action on their account. That is an example of —

Hon MATTHEW SWINBOURN: Sorry, can I just interrupt you there?

Mrs COSGRIFF: Sure.

Hon MATTHEW SWINBOURN: It is a really difficult area because you are talking about privacy and agency as being key factors and respecting your customers' rights. The online banking area is very difficult because we have had put to us previously about banks and tellers that have that relationship with someone for a long period of time, but banking is changing.

Mrs COSGRIFF: Certainly.

Hon MATTHEW SWINBOURN: Certainly in my own case, I do not recall the last time I went into a bank. One day I will be elderly, I suspect —

Hon ALISON XAMON: That is the plan.

Hon MATTHEW SWINBOURN: That is the plan, yes. I guess the key there is, what is the bank looking at in terms of dealing with a situation like that to provide that additional security? I am not sure it is possible but is it something that you are looking at where somebody actually enables the fraudster to take advantage of them and she is sitting there, seeing it happen and she can barely stop it herself?

Mrs COSGRIFF: We are always tightening our security measures on accounts. That is ongoing. Even in the case of ourselves as colleagues, the need for ongoing education because, as you would appreciate, fraudsters get more and more clever, so we are regularly treated to our own scans or phishing emails et cetera so that our vigilance and how we, as colleagues, behave is constantly under scrutiny. By virtue of that, that shows us how we need to educate our customers further.

[10.30 am]

Hon MATTHEW SWINBOURN: I think really the only answer is education. I think the issue though is that as people age, it is not controversial to say, many of them diminish in their capacity to take that responsibility. They may not have lost their capacity to make their own decisions but they become more vulnerable in those circumstances. It is a pretty complex area. It might be me being rhetorical here because I am not quite sure what the answer to that is. I am sure the banks are putting their minds to it because they do not want to see their customers' money go overseas, particularly if they are a big managed investment account. As I say, I do not necessarily need you to respond to that. I guess, I am just putting it out there as a clear and ongoing issue that it would be nice if we had an easy answer to.

Mrs COSGRIFF: BankWest is committed to the ongoing. The booklet, as great as it is, is only a first step in the ongoing training and education for our customers and colleagues alike.

Mr CORY: May I just add that we noted at the recent elder abuse summit the key high-level themes that were drawn out from contributors to the summit very much focused around that scope and definition of the issue, which is critical, which will then help create greater public awareness, which is so important. To your point, coaching and training for staff, not just in banks but in all organisation, governments and non-government, is critical so that they can contribute to identifying what is a complex matter and identifying those suspected cases of elder abuse.

Hon MATTHEW SWINBOURN: The example of how prevalent scams are, at my house—we have a landline still—we get a call at least once a day of someone trying to scam us. That is how prevalent it is. Our children are very well versed now to ignore it, but you can only imagine a lonely, isolated person getting those calls.

Hon ALISON XAMON: Some of them are outright threatening too.

Mrs COSGRIFF: That is right.

The CHAIRMAN: Let us move to risk factors, which is term of reference 4. Hon Matthew Swinbourn just identified one of them, which is loneliness—a person who is lonely. In BankWest's experience, what are some of the risk factors for financial elder abuse?

Mrs COSGRIFF: Risk factors we have identified is the age of a customer, being 50 years of age; those who have entered into a power of attorney; those who have gone guarantor for a family member in a lending scenario; those who are the victim of a fraud or a scam. We have recognised that those customers are more susceptible when they are of a high financial means; whether they are in the care of others, both formally or informally; or they have entered into transactions with family members; those more susceptible to the point those socially isolated; those who have a physical or mental impairment; those persons of poor health; those persons of poor financial literacy; members of the LGBTI community; those reliant on others for care or live alone. In terms of again how we train our staff to recognise the three Cs: If a person is confused; if we hear that a person is being coerced. Whilst you can appreciate that in a three-minute phone call, that may not be easily identifiable—you heard from that other case—we can still get that from the conversation if there are people in the background et cetera. We can also see when it is present in front of us in a branch but, again, it is hard to distinguish. The cranky daughter who might have been with her elderly

parents all day and is at her wits end or the cranky daughter whose behaviour might be like that all the time. We would say that there is not one typical case. Each case is assessed on its different merits.

The CHAIRMAN: I think we have really touched on this, but any further comment you might want to make on the rise of online banking, touch-free payment systems in terms of the risk of financial elder abuse.

Mrs COSGRIFF: Nothing further to add there.

The CHAIRMAN: Term of reference 5 really deals with assessing and reviewing the legislation policy and frameworks. You have mentioned the need for a central register. You were talking at a national level there. Do you see any merit in Western Australia going alone in terms of a register in the interim if there is a willingness to do so?

Mrs COSGRIFF: We would absolutely welcome that. As we are a national business, it is with each state and territory having a difference in how they deal, but given a large portion of our customer base is WA, we would welcome that, yes.

The CHAIRMAN: At the moment in Western Australia, there is a form of register insofar as Landgate has a register. Given the nature of banking and property settlements and so forth, I assume there is a fairly robust relationship between BankWest and Landgate.

Mrs COSGRIFF: There is a relationship between the two, yes.

The CHAIRMAN: In terms of being able to work together on a local state-based register, you do not see any impediments there?

Mrs COSGRIFF: BankWest would welcome the opportunity to further this dialogue with both the committee as well as stakeholders.

Hon TJORN SIBMA: Thank you for being candid. I suppose the other thing I would like to know is: What kind of information is actually usable for the bank. Is it the mere fact that an instrument as presented is valid and current or is there other information that the bank would see from a central register?

Mrs COSGRIFF: The ability for our team members to report suspected abuse and to have it looked at on an independent basis would be incredibly welcomed.

The CHAIRMAN: That is in terms of your concern about something you have seen on the register?

Mrs COSGRIFF: Yes, or where there is a power of attorney held et cetera The other thing that would be helpful for us is the currency. Unless the attorney has told us to remove the power of attorney, we may not be across that information.

Hon TJORN SIBMA: You might have to take this on notice as well. How many enduring powers of attorney or similar instruments are presented to BankWest on an annual basis? Can you give us a sense of the quantum?

Mrs COSGRIFF: I do not have that information with me, I am sorry. I will take that on notice.

The CHAIRMAN: Question on notice No 3. We are asking about the number of powers of attorney and enduring powers of attorney.

Mr CORY: General and enduring.

The CHAIRMAN: On average.

Hon MATTHEW SWINBOURN: That information is important. We have had some information come back to us from Landgate about the number they have on their records. They were very significant,

so it gives us an idea about the prevalence of these documents. They are extremely important but just for that information and understanding on our behalf.

Mr CORY: To that point, we do believe that a standardised power of attorney legislation across states and territories linked to an online register where all power of attorneys can be independently validated and assessed would be incredibly beneficial.

The CHAIRMAN: In terms of a standardised power of attorney document, does BankWest have a view about which states standard legislation form is the best model to base it upon?

Hon ALISON XAMON: Or close to?

Mrs COSGRIFF: I do not have a personal view. Obviously, though, we are operating in the home state of WA, so we would be guided by the committee.

Mr CORY: We notice that the Council of Attorneys General recently announced that they would move towards harmonisation of power of attorney, so that is very positive announcement, a positive step forward.

The CHAIRMAN: Yes that is true. Sometimes these things take an extraordinary long period of time. Term of reference 6, requires the assessment and review of service delivery and agency responses. Can you take us through what type of training your frontline staff get in identifying account fraud or suspicious behaviour and dealing with vulnerable customers?

[10.40 am]

Mrs COSGRIFF: Certainly. There are a number of different forms. We start with what we call “brilliant orange conversations” and that looks at the needs of the customer and what they are actually wishing to achieve with their financial goals. We train our team members on providing personal advice to customers. We also provide e-learning as well as face-to-face instruction on things such as cyber security and vulnerability et cetera. We share case studies with our team members—again, to the point, unless you actually hear about the situation, it does not ring true. We do all those things with our team members. We also do a series of quality assurance checking on the conversations that our colleagues have with customers to understand if they are driving the right behaviours there.

The CHAIRMAN: What kind of impact does a day like World Elder Abuse Awareness Day have in determining training opportunities in an organisation like BankWest?

Mrs COSGRIFF: It was not this year, but it would be used as an example to share those stories with colleagues, in the same way, for example, as Refugee Week. We use that exercise to have real-life refugees who are our team members speak to and educate our colleagues.

The CHAIRMAN: What proportion of employees in BankWest reside in Western Australia?

Mrs COSGRIFF: The bulk, really.

Mr CORY: I think about 75 per cent.

Mrs COSGRIFF: Yes.

The CHAIRMAN: Are the other 25 per cent spread across Australia, or just particular states?

Mr CORY: Mostly spread across the east coast, but our head office is in BankWest and the vast majority of our colleagues reside within WA at our head office in Perth.

Mrs COSGRIFF: Then followed by New South Wales, Melbourne, Queensland and lastly South Australia in terms of volume of colleagues.

The CHAIRMAN: I think you said the escalation team has 16 full-time equivalents?

Mrs COSGRIFF: That is correct.

The CHAIRMAN: Are they in WA?

Mrs COSGRIFF: That is correct. That is also further supported by another 19 in our hardship team.

The CHAIRMAN: What type of information is provided to customers to help identify financial elder abuse if it happens to them, or someone they know?

Mrs COSGRIFF: Up until recently, when I mentioned the letter that we would provide in person at the branch, or if we considered it unsafe to do so because they were with a person who was potentially abusing them, that could be sent to them or we would phone them separately et cetera and then, obviously more recently, the “Safe and Savvy” guide. We periodically put things up on our website to talk about scams et cetera that we have found.

The CHAIRMAN: This letter that goes to people, is it sent when an enduring power of attorney or power of attorney is registered, or is this a letter that goes to all customers over the age of 50?

Mrs COSGRIFF: This is a letter that is provided to a customer when we think there might be—if it pleases the committee, I have a copy of the letter here.

The CHAIRMAN: Yes, okay. Let us receive that and we will make a resolution in terms of the status of it in due course. In the meantime, is there liaison by BankWest with community groups or legal centres to provide training or develop programs?

Mrs COSGRIFF: We have not to date. However, we noted that AdvoCare had called on the banks specifically to do more, so I think the onus is obviously on us to reach out to AdvoCare in this instance.

The CHAIRMAN: Good. What type of compensation is provided to customers who may have lost money or assets as a result of financial elder abuse committed through their bank?

Mrs COSGRIFF: It would be determined on a case-by-case basis. In a case where a scam was perpetrated when the person had actually provided their account details to the fraudster, theoretically, that is not covered by the bank, but we would look at it on a case-by-case scenario.

The CHAIRMAN: The seventh term of reference is the capacity of the WA police to identify and respond to allegations of elder abuse. What has been BankWest’s experience in liaising with WA police on these types of matters?

Mr CORY: We have a relationship with WA police that is coordinated on a case-by-case basis. Where we identify either significant or systemic cases of fraud, we will obviously escalate those to WA police and it has been a very productive arrangement. We always look to support WA police in their further inquiries. We note, though, as previously mentioned, that not every case of potential financial elder abuse is illegal. It may in some cases be unethical, or a situation in which a family member is doing something misguided, and that is where we believe an additional external agency that is properly equipped to identify those suspected cases of abuse would be better placed to support those particular customers.

The CHAIRMAN: In terms of liaison with WA police, would that come from your escalation team?

Mrs COSGRIFF: It would depend on the actual scenario. If we had a customer via either the call centre or escalated to our customer care team by either the call centre or the branch, if it was a scenario in which we felt that the customer was in immediate danger, that is when we would liaise with the police. We would potentially ask for a welfare check. Unfortunately, we have had instances of this happening, where a customer might say that they are going to self-harm or they might say

that they are coming down to the branch to harm the staff. In those instances, we would liaise with the police.

The CHAIRMAN: You have mentioned a couple of times this morning BankWest's desire for a body or agency to be created where you can report your concerns and they can then investigate, including those types of unethical and misguided type scenarios. Are you familiar with any model you can bring to our attention in other jurisdictions where they have such a body in place—a type of agency that we could model ourselves on?

Mrs COSGRIFF: The only one that springs to mind is in the case of domestic violence, where you can actually report suspicious matters et cetera.

Mr CORY: In addition, we note that—we are still gathering information on this—the South Australian government has just introduced a bill into Parliament to establish an adult safeguarding unit, which we understand is essentially designed to be established as a body that can receive good-faith reports made by staff such as banking staff with respect to potential cases of abuse and elder abuse. That may potentially be a model that other states and territories can look to to replicate, but we will await the gathering of further information to assess the potency of that. But that looks like a very positive step within the South Australian Parliament.

The CHAIRMAN: Yes, it is hard to reconcile the view of the Financial Ombudsman on the earlier cases you referred to where the view was, no, this is too invasive. If that was too invasive, and that is actually a body, which is BankWest, that has access to the data, it is not that you have breached any data—it is your data, between you and your customer. If that is considered to be too invasive, you wonder what the Financial Ombudsman would think about —

Hon ALISON XAMON: A third party.

The CHAIRMAN: Yes. Anyway, that is a rhetorical question.

Hon MATTHEW SWINBOURN: Would you go as far as supporting mandatory reporting for elder abuse by your staff?

[10.50 am]

Mrs COSGRIFF: Yes.

Mr CORY: If it is safe to do so, but we are obviously constrained by confidentiality and privacy obligations, so they need to be able to do so safely.

Mrs COSGRIFF: Without recourse, I meant.

Hon ALISON XAMON: Do you hold any concerns, though, that by having staff referring matters through, that you might have customers who will take umbrage at that and just take their business elsewhere?

Mrs COSGRIFF: There is a definite possibility and we see instances quite often where customers do take umbrage about things that we do, but if we believe that it is in the best interests or we have acted in good faith or for the protection of our customers, we will continue to do that.

Hon MATTHEW SWINBOURN: I would hazard a guess that if the same rules applied for all banks and credit unions, then the motivation to be able to move the money away from the bank because we have a softer target over here might be taken away in those circumstances. The issue would then be more about being able to focus on the perpetrators than the behaviours of the banks in that regard, I would have thought.

Mr CORY: Absolutely. Yes.

The CHAIRMAN: Let us move to the eighth term of reference, which is to look at initiatives to empower older persons to better protect themselves. We might group this with term of reference 9, which is to consider new proposals or initiatives that may enhance existing strategies for safeguarding older persons who may be vulnerable to abuse. I think we have touched on training and information to customers. What about Bankwest's liaison with the Department for Communities? We have been told at some point during the course of our hearings and submissions that there is some liaison happening between Bankwest and Department for Communities with regard to work to address financial elder abuse. Are you in a position to elaborate on the nature of that work?

Mrs COSGRIFF: That comes more from the point of view of we would welcome the dialogue moving forward and we would happily work with or engage with any stakeholders as they asked for it—an example of that being Advocare from a few weeks ago expressing a desire to work further with Bankwest.

Mr CORY: We have had conversations in the past with the Department for Communities. I think the specific example you relate to was with respect to a conversation that was had some time ago about our intention to evolve our education and training for colleagues, which is now coming in the form of education to support the rollout of the "Safe and Savvy" guidelines to customers.

The CHAIRMAN: There is no recent liaison in that respect, other than, for example, attendance at the summit last week.

Mrs COSGRIFF: We both attended the summit.

Mr CORY: We have periodic conversations with the members of the department, including the director general and others and, as Shari said, we always look to maintain a constructive relationship with them and if we can share information that is of benefit and support to them and vice versa we will happily do so.

The CHAIRMAN: It is helpful to know, because sometimes when you hear things in these hearings you get the impression that there is some kind of major project that is underway and an enormous liaison taking place and there are going to be these great fruits of the labour, then suddenly you realise they are ad hoc conversations that happened quite some time ago. In terms of the central register of the powers of attorney, which we discussed earlier, this is picking up on a question Hon Tjorn Sibma asked, that was in respect to what you would like to see in the register itself. It is one thing to have a register, but if we are going to create the register and you have indicated you would be quite happy to participate with Landgate and others in the development of something like that, but are there certain things in particular you would want to see in the register?

Mr CORY: Yes, I think critically would be the ability for the body of the register to independently verify and assess the validity of enduring powers of attorney to ensure they are up to date, to ensure they are appropriately constructed, and if that is linked to more standardised legislation across states and territories, then that that is simpler to do so, rather than having to take into account a variety of different models across Australia. That independent verification and assessment of that validity could be assessed, which would be enormously beneficial not just to us but to other organisations as well, potentially.

The CHAIRMAN: Do you sometimes get a situation where you have been provided a power of attorney in circumstances where you already have a valid power of attorney on file?

Mrs COSGRIFF: I am sure it must have happened. I cannot though give you any definitive examples of it.

The CHAIRMAN: It is not top of mind.

Mrs COSGRIFF: Not top of mind, but one of the things in that instance that we look to do is to talk to the customer about which is more relevant.

The CHAIRMAN: Because under the laws in Western Australia, as I understand it, both are valid, but it just strikes me as immediately one of those circumstances where you talk about change, one of your three Cs; it should be a yellow alert. Unfortunately, we have learnt that at Landgate, those things are not necessarily a yellow alert. So, as long as there is a valid power of attorney presented, that will be respected and followed.

Mrs COSGRIFF: Yes.

The CHAIRMAN: I really think that there is a problem in Western Australia where people do not understand that they can have multiple powers of attorney out there. They will wrongly assume that the other one has been revoked. A possible further change is required there. Would either of the witnesses like to make any final remarks?

Mrs COSGRIFF: Only that again we appreciate you inviting us here today and we would welcome ongoing continuing dialogue on this matter.

The CHAIRMAN: It has been very valuable, members. We thank you both for attending this morning. A transcript of this hearing will be forwarded to you for correction. If you believe that any corrections should be made because of typographical or transcription errors, please indicate these corrections on the transcript. You did take on notice three questions and we will write to you about that. We just simply ask that those answers be provided to those questions that were taken on notice when you return your corrected transcript of evidence. If you want to provide additional information or elaborate on particular points, you may provide supplementary evidence for the committee's consideration when you return your corrected transcript of evidence. Once again, thank you very much for your attendance this morning.

Hearing concluded at 10.56 am
