

Position on Financial inclusion

Banking and financial products and services are an essential part of everyday life.

The banking industry recognises that some people face difficulties accessing and using banking and financial products and services and this can contribute to disadvantage – not only financial, but it can also have social and emotional consequences for people being, or feeling, excluded.

Globally, the G20 Financial Inclusion Indicators, developed by the Global Partnership for Financial Inclusion (GPFI),¹ provide a foundation for financial inclusion measurement and monitoring. The indicators represent a comprehensive set of financial inclusion data and cover all three dimensions of financial inclusion, being: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.²

It is widely recognised that dealing with financial exclusion and providing opportunities for social and economic participation for all Australians will promote financial resilience for our economy and across communities as well as financial wellbeing for individuals and families.

Addressing financial exclusion will require a multifaceted approach and an enduring and sustainable commitment from governments, the community sector, and the corporate sector.

Our approach

The banking industry is committed to promoting financial inclusion and working towards ensuring all Australians have access to, and use of, a number of safe, affordable and appropriate banking and financial products and services.

At an industry level, the Australian Bankers' Association (**ABA**) has developed a number of programs, including:

- The ABA's Position on Financial Literacy and our financial literacy program, *Broadening Financial Understanding*, which has been running for over a decade.³
- The 'Affordable Banking' website to assist customers find a free, basic bank account.⁴
- The 'Doing It Tough' website to assist customers who may be experiencing financial difficulties.⁵
- The Indigenous Statement of Commitment, which sets out the industry's commitment to standards of good practice, recognising many Indigenous Australians face significant social, economic and financial disadvantage.
- The Code of Banking Practice, and in particular clauses 7 and 8, recognising the special banking needs of people with a disability, older Australia and Indigenous Australians.⁶

At an individual bank level, many banks currently have programs and product offerings to address aspects of financial inclusion. These include:

- Programs to improve financial knowledge and skills of consumers.
- Fee-free bank accounts for people on low incomes.
- Alternatives to high cost, short-term, small amount lending, and a savings incentive.
- Simple and basic home and contents and car insurance products.
- Partnerships to improve access to financial counselling.

¹ <http://www.gpfi.org/>

² <http://www.gpfi.org/sites/default/files/G20%20Basic%20Set%20of%20Financial%20Inclusion%20Indicators.pdf>

³ <http://www.bankers.asn.au/Consumers/Financial-Literacy>

⁴ <http://www.affordablebanking.info/>

⁵ <http://www.doingittough.info/>

⁶ <http://www.bankers.asn.au/Industry-Standards/ABAs-Code-of-Banking-Practice>



Strong banks – strong Australia

Our renewed commitments

The ABA and our member banks are building on existing commitments to improve the level of financial inclusion of all Australians, through:

Products and services

- 1) Increasing the availability and affordability of banking and financial products and services for vulnerable customers.
- 2) Improving accessibility of banking and financial products, including leveraging technology innovations and digital channels.
- 3) Providing assistance to customers experiencing financial difficulties and customers affected by financial abuse.
- 4) Ensuring products and services are accessible by people with a disability, older Australians and Indigenous Australians.

Tools and resources

- 5) The development of improved information, tools and resources for consumers, financial counsellors and other stakeholders to better support the needs of vulnerable consumers.

Promotion and awareness

- 6) Building on existing partnerships, including cross-sector efforts between the ABA, government and consumer stakeholders, to raise awareness of financial inclusion.
- 7) Supporting and facilitating information sharing and collaboration with government and consumer stakeholders, and encouraging further research and evidence in the area of financial inclusion.

Review

To ensure our Position on Financial Inclusion remains relevant and meets the changing expectations of customers and other stakeholders, the ABA will review this document every three years, and if required, this will include appropriate consultation with member banks and other stakeholders.