Australian Banking Association

31 July 2026

Department of Social Services
Consultation on the Second Action Plan (National Plan to End Violence against Women and Children)

Dear Sir / Madam

Consultation on the Second Action Plan (National Plan to End Violence against Women and Children 2022-2032)

The Australian Banking Association (the **ABA**) welcomes the opportunity to comment on the Consultation Paper that will inform the direction and development of the Second Action Plan under Australia's *National Plan to End Violence against Women and Children 2022-2032* (the **National Plan**).

The ABA supports the Consultation Paper's focus on victim-survivors, including children and young people, and placing a spotlight on people who use violence to enable accountability and changed behaviour and to reduce the use of violence while continuing to focus on victim-survivor safety.

The ABA notes that 'violence against women' in the Consultation Paper's terminology and definitions encompasses all forms of abuse that women experience, including financial abuse. Financial abuse is an insidious form of family violence that negatively impacts a person financially and undermines their ability to be economically independent. Financial abuse occurs in many different forms, alongside other forms of abuse and violence, and can affect anyone, especially women and children. Financial abuse isolates victim-survivors and can make it extremely difficult for victim-survivors to escape from these situations. The ABA recognises that financial abuse can include coerced debt, and misuse of accounts, lending, guarantees and third-party authorities; and recommends that these should be more clearly embedded across the priority areas for the Second Action Plan.

Since the Australian Government's First Action Plan, the role of banks in helping customers and employees impacted by financial abuse has become increasingly important, especially with regard to prevention and early intervention. Within the broader non-specialist workforce, banks play a key role in ensuring safe banking, early identification, referrals, safe product design and preventing the misuse of financial services. However, while the Consultation Paper includes a definition of 'non-specialist workforce' that lists financial advisors as an example, it does not explicitly recognise the role of banks.

This submission outlines the role of key banking industry self-regulatory frameworks and highlights some of the ways that banks have taken a leading role in identifying and assisting customers, as well as employees, impacted by financial abuse, including women, children and young people.

Banking Industry Practice

Over the past decade, the ABA and member banks have worked as a sector in partnership with financial counsellors, community legal services, the domestic and family violence advocacy sector, organisations representing older persons and Government to develop measures that seek to help minimise and prevent harm caused to individuals experiencing financial abuse such as victim-survivors.

The ABA and member banks have:

- developed best-practice industry guidance for how banks can take extra care with customers experiencing vulnerability, financial difficulty, and financial abuse including family and domestic violence;
- updated terms and conditions to explicitly ban the misuse of products and services for financial abuse, implemented preventative measures to block abusive transactions in banking applications and internet banking, and taken action against perpetrators of this abuse, including sending warning letters, limiting access to internet banking and/or closing their accounts;

- advocated to Government and regulators to support initiatives that help minimise the harm to victim-survivors by suppressing credit reporting information in situations where the risk of retaliation is higher;
- successfully advocated for the Australian Transaction Reports and Analysis Centre (AUSTRAC) to change guidance to make it easier for victim-survivors to open new and private accounts using alternative identification documents, when gaining access to their documents is not possible;
- engaged and provided industry feedback on regulatory, government and other industry association consultations focused on addressing domestic violence and financial abuse, including the Australian Financial Complaints Authority's (AFCA) Approach to Family Violence;
- provided a white-labelled *Safety by Design Toolkit*[1] industry resource, originally developed by Westpac, and made it available to the sector through the ABA. The toolkit provides practical guidance, tools and training prompts to help member banks incorporate safety considerations into product and service design, to help reduce financial abuse and coercive control;
- developed an overview for financial counsellors and caseworkers of how banks support and communicate with residents that are not their customers, including tenants and family members, during the foreclosure process;[2] and
- provided funding for financial abuse prevention and support. For example, industry provided a significant donation to the Financial Counselling Foundation, a proportion of which was used to fund 10 Family Violence Women's Legal Centre initiatives.[3]

All of the above actions were undertaken in consultation with experts from the community sector, and where relevant, law enforcement bodies, to ensure the safety of victim-survivors is prioritised and current banking industry practice, along with ABA industry guidelines, are as effective as possible.

All of the above actions supports the National Plan's four domains of prevention, early intervention, response, and recovery and healing; and the proposed consultation priority areas for the Second Action Plan in relation to prevention and early intervention, and system integration and workforce.

Banks also have policies and procedures that help address financial abuse and support customers. Banks have established specialist customer hardship and/or vulnerability teams, implemented new processes and trained both specialist and frontline staff to be on the lookout for financial abuse and to take extra care with victim-survivors of financial abuse.

These teams offer a range of support to victim-survivors which may include account safety and security, crisis support (e.g. referrals to crisis support via DFV specialist providers), hardship arrangements, debt waivers, ex-gratia payments, repairing credit reports, referrals to external support or statutory authorities and de-linking PayID.

Additionally, Australian banks recognise that domestic and family violence can have a significant impact on employees, their families and workplaces. As major employers, banks have implemented a range of measures to support staff experiencing domestic and family violence. This includes access to paid domestic and family violence leave, confidential counselling services, specialist support programs, workplace safety planning and flexible working arrangements.

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[1] Australian Banking Association (ABA), *Keeping banking customers safe from financial abuse*, November 2024. More information available at: https://www.ausbanking.org.au/keeping-banking-customers-safe-from-financial-abuse/.

[2] ABA, *Fact Sheet: Communication with residents during foreclosure*, July 2023. Available at: https://www.ausbanking.org.au/wp-content/uploads/2023/08/Communication-during-foreclosure-factsheet-3.pdf.

[3] Financial Counselling Foundation, *FCF welcomes generous donation from industry*, May 2023. Media Release available at: https://www.financialcounsellingfoundation.org/_files/ugd/2acbaf_8be2b9a802ba4f37bb54008dc629697f.pdf.

Bank policies are developed with consideration to self-regulatory guidance, including:

Banking Code of Practice

The Banking Code of Practice[4] (**Banking Code**) requires member banks to take extra care with vulnerable customers, including those experiencing family and/or domestic violence, and/or financial abuse.[5]

Extra care includes training staff to act with sensitivity, respect, and compassion, and working with customers to find a suitable way to undertake their banking.[6] Banks will also be respectful of confidentiality, give information that is useful and clear, provide guidance to help maintain and regain control of finances, and make referrals to external support where appropriate, including the option of appointing a third-party representative to deal with banks on behalf of the customer.[7]

Other Banking Code requirements include:

- Not approving a new loan, or an increase, where the co-borrower does not receive a substantial benefit unless the bank has taken reasonable steps to ensure the customer understands the risks being a co-borrower, accepted reasons for why they want to be a co-borrower on the loan, and the bank is satisfied they are not experiencing financial abuse.[8]
- Ending liability under a loan in certain circumstances.[9]
- Various protections for those making guarantees including limiting liability, providing certain information, and requiring a minimum of three days to review the guarantee unless additional requirements are met.[10]
- Changing joint account authorities, at the request of one party, for both to approve future withdrawals.[11]
- Assisting a joint account holder experiencing financial difficulty without involving the other person initially, if requested.[12]

Refreshing ABA industry guidance on financial abuse

The ABA is developing a consolidated Financial Abuse Industry Guideline which brings together current guidance on family and domestic violence[13] and financial abuse of older people[14] into a single, principle-based resource. The ABA expects this guidance will help drive an uplift across the industry.

Key updates include enhanced detection and response mechanisms (in both personal and business banking settings), and support for customer's experiencing vulnerability, including a focus on forms of financial abuse within family and domestic violence contexts. There will be a greater focus on the role of product and service design to help reduce the risk of financial abuse, and an enhanced management of third-party authorities, reflecting evolving bank practices and supporting stronger safeguards where financial abuse risks may arise. The importance of ongoing oversight, data-informed monitoring and continuous improvement is also reinforced.

[4] ABA, *Banking Code of Practice* (Banking Code), February 2025. Available at https://www.ausbanking.org.au/wp-content/uploads/2021/06/Banking-Code-of-Practice-28.02.25.pdf.
[5] Banking Code, Part B2, para 52.
[6] Banking Code, Part B2, para 53.
[7] Banking Code, Part B2, para 54.
[8] Banking Code, Part B4, para 70.
[9] Banking Code, Part B4, para 72.
[10] Banking Code, Part B6.
[11] Banking Code, Part C1, para 147.
[12] Banking Code, Part C1, para 147.
[13] ABA, *Preventing and responding to family and domestic violence*, April 2021. Available at: https://www.ausbanking.org.au/wp-content/uploads/2021/05/ABA-Family-Domestic-Violence-Industry-Guideline.pdf.
[14] ABA, *Preventing and responding to financial abuse (including elder financial abuse)*, February 2021. Available at: https://www.ausbanking.org.au/wp-content/uploads/2021/07/ABA-Financial-Abuse-Industry-Guideline.pdf.

The ABA is in the process of finalising this guidance, which will take into consideration feedback from member banks, regulators, safeguarding authorities, and consumer advocates. The ABA expects the Financial Abuse Industry Guideline will be released by the end of 2026.

Financial Safety by Design

Building on sector work underway to prevent the weaponisation of banking products (e.g. abusive payment descriptions), the ABA along with the Australian Finance Industry Association (AFIA), Customer Owned Banking Association (COBA), the Australian Retail Credit Association (ARCA) and Flequity Ventures[15] are developing a financial safety by design© resource for lending, helping financial institutions to understand how to embed safety by design principles into product design and governance.

This is consistent with government recommendations, for practical, sector wide guidance, made by the Parliamentary Joint Committee on Corporations and Financial Services.[16] The ABA expects this resource will be due to be completed by the end of August 2026.

Yours sincerely,

[15] ABA, *Banks and lenders unite to fight financial abuse*, January 2026. More information available at: https://www.ausbanking.org.au/banks-and-lenders-unite-to-fight-financial-abuse/.

[16] Parliament of Australia - Parliamentary Joint Committee on Corporations and Financial Services, *Financial Abuse: An Insidious Form of Domestic Violence – Chapter 4 – Safety by Design and Industry Wide Options for Reform.* Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/FinancialAbuse/Report/Chapter_4_-_Safety_by_design_and_industry_wide_options_for_reform.