



Secretariat  
Regional Banking Taskforce  
Financial System Division  
The Treasury Langton Crescent  
PARKES ACT 2600

17 December 2021

**By email: [regionalbanking@treasury.gov.au](mailto:regionalbanking@treasury.gov.au)**

Dear Secretariat,

ANZ thanks The Treasury for the opportunity to comment on the Regional Banking Taskforce - Issues Paper. We acknowledge and support the Australian Banking Association's submission made on behalf of industry. This letter provides supplementary information about ANZ's Australian retail and commercial businesses including an overview of:

- Customer trends underlying recent changes to ANZ's branch network;
- Support provided to customers when a retail branch is closed; and,
- ANZ's ongoing investments in providing banking services and assistance to our customers in regional Australia.

### **ANZ customer trends**

Changes in how our customers bank with us have followed a trend for some time. During the past five years in-branch transactions have declined by about 57 per cent and 60 per cent in regional and metro locations respectively.

In contrast, the use of ANZ's digital channels has increased. In Australia, more than 3.7 million customers are now using the ANZ App, with almost 430,000 new registrations in 2021. In addition, more than 2.1 million customers are actively using ANZ Internet Banking and Internet Banking for Business (IB4B). Registrations for IB4B are up 20 per cent compared to last year, and transactions via this service have increased by 11 per cent, indicating business owners are increasingly moving towards digital self-service. As at end of October 2021, just 6 per cent of our customers in regional Australia were using a branch to regularly transact. Meanwhile, 82 per cent of regional customers have used online banking methods as their main transaction channel in the 12-months to end of October 2021.

As a result of these customer behavior changes, ANZ's overall branch network has reduced in recent years. Decisions to close a branch are made after a comprehensive review of ANZ retail and commercial data regarding customer preferences as well as publicly available information that helps to assess future use.

## Customer support

We have implemented a range of support measures to assist the small number of customers that continue to prefer to bank face-to-face. These measures are focused on assisting them to use alternative channels that can continue to meet their everyday banking needs.

### – *Contacting customers*

All customers of a closing branch are contacted and offered the opportunity to connect with a member of one of ANZ's regionally-based Customer Care teams. These teams talk to customers about how they currently conduct their banking and explain how to use alternative banking methods, such as online, telephone and mobile banking.

### – *Identifying customers who may be experiencing vulnerability*

The Customer Care teams review all available branch customer data to identify customers who are more likely to use face-to-face banking or may be experiencing a vulnerability. For example, the team will identify and contact customers who:

- Hold a passbook account and rely on a branch for their day-to-day transactions. Passbook account holders do not have card access and predominately use cash as their preferred payment method;
- are over 65-years of age;
- used a branch at least twice in six-months; and,
- Small business customers that do not have a dedicated relationship manager and have used a branch at least twice in six-months.

Customers are offered training and support on how to use digital banking channels and telephone banking. This includes helping them establish direct debits and credits, and registering for ANZ Phone Banking, ANZ App or Internet Banking. Training is also focused on how to use the most frequently used features of these channels including checking balances and making transfers and payments using BPay and PayID.

Customers are contacted again within 12-months so that the team can provide further assistance if required. Customers can also contact the Customer Care teams or request a follow-up callback as often as required to build confidence in using digital and self-service channels.

To assist Aboriginal and Torres Strait Islander customers who may need assistance, ANZ has an established Aboriginal and Torres Strait Islander phone line. Customers who use this phone line, or our Contact Centre, can access independent interpreters in many Aboriginal and Torres Strait Islander languages. Additional support for Aboriginal and Torres Strait Islander customers includes:

- Flexible identification procedures in accordance with AUSTRAC guidance;
- Customers who live more than 150-kilometres from a branch can open an account or verify their identity without needing to attend a branch; and,
- Low or no fee bank accounts for low-income customers, including Aboriginal and Torres Strait Islanders.

– *Observations*

Since January 2021, Customer Care has spoken to ~33,000 customers identified as users of face-to-face banking or potentially experiencing a vulnerability. Across this customer group, we observed that 92 per cent of them were already using one or more digital self-service banking channel. 33 per cent of these customers had used multiple digital solutions.

– *Commercial (small to medium business) customer engagement*

Despite the removal of a retail branch in some regional locations, our commercial relationship bankers continue to engage frequently with local business owners. This includes regular visits to customer premises.

A number of digital applications have also been implemented to make banking easier for business customers no matter where they are located:

- ANZ Quick Assist uses financial information already held for existing customers to assess capacity to service credit. A credit decision can be provided within three-five business days from application. Customers are not required to provide additional financial documents making it easier for them to obtain funding of up to \$500,000.
- ANZ's recently launched GoBiz self-service online lending platform for new and existing customers enables eligible customers to use their accounting software data to apply for an unsecured loan for up to \$200,000 (\$100,000 for overdrafts), in around 20-minutes. Full approval is provided within two-days.

We recognise that certain industries are integral to the social and economic prosperity of many regional locations which is why we continue to invest in relevant parts of our business. For example, ANZ Agribusiness includes almost 300 bankers the majority who live and work in regional Australia to support customers and future industry growth.

## **Financial literacy in regional Australia**

As well as providing banking products and services to our customers, ANZ is committed to improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives. This work includes regional customer participation in a number of ANZ's longstanding and award-winning financial literacy programs. These programs also include a focus on building digital skills aimed at helping people to manage their money better.

- MoneyMinded is an education program for adults seeking to build money management skills, knowledge and confidence. It's delivered in vulnerable communities, including regional communities, across Australia by trusted community organisations. More than 789,000 people have participated in MoneyMinded since 2002. Participants report increased financial wellbeing, with improvements in their ability to meet financial commitments, feel financially comfortable and build financial resilience.
- MoneyBusiness was developed in partnership with the Australian Government in 2005 to build the money management skills and confidence of First Nations people living in remote communities. The program was developed specifically for remote and regional communities. It has reached more than 5,100 participants during the past two-years, the majority from remote communities.

- Saver Plus is a matched savings and financial education program developed by ANZ and the Brotherhood of St Laurence in 2003. Funded by ANZ and the Australian Government, it's the largest and longest running program of its type in the world, and has supported more than 50,000 people collectively save more than \$25 million. Around 23,000 people from regional Australia have participated in the program since its inception, saving nearly \$12.5 million with ANZ matching nearly \$10 million. In 2020 and 2021, more than 2,800 people from regional Australia participated in Saver Plus, with ANZ matching just over \$950,000 and participants saving \$1.46m.

### **Continued investment**

- *Regional Australia*

ANZ remains committed to regional Australia and we continue to invest in branches where we have a significant number of customers who bank with us in-person. This included a \$11.5m investment across 10 branches in regional locations in ANZ's 2021 financial year. For example:

- Mt Barker SA (Mar 21), \$1.2m investment, new digital branch format, two Smart ATMs one with coin deposit functionality. The branch is staffed by six retail banking consultants, six commercial bankers and a home loan and investment manager.
- Atherton QLD (May 21), \$800,000 investment, new digital branch format, one Smart ATM. The branch is staffed by six retail banking consultants as well as a home loan and investment manager.
- Albany WA (Jul 21), \$2.1m investment, new digital branch format, one Smart ATM with coin deposit functionality. The branch is staffed by seven retail banking consultants and six commercial bankers.

In addition to branches, we offer regional customers many alternative banking solutions including internet banking, the ANZ App, phone banking and Smart ATMs. These channels enable our customers to access many of the same transactions they could make in a branch, including cash withdrawals and cheque and banknote deposits.

ANZ's ATM strategy is focused on Smart ATMs. Since July 2020 we have installed an additional 27 Smart ATMs in regional locations. Smart ATMs enable customers to not only withdraw cash, but also deposit cash and cheques without needing to queue at a branch.

In select regions, ANZ mobile home loan lenders are available and can visit customers at locations that are convenient to them.

ANZ also invests in regional Australia in the form of local sponsorships and long-running programs such as the ANZ Seeds of Renewal program which has provided >\$5 million to assist more than 800 communities since 2003. The program is administered independently by the Foundation for Rural and Regional Renewal and supports projects that aim to improve environmental sustainability; access to housing; or, promote financial wellbeing in regional communities of fewer than 15,000 people.

– *Digital Investment*

ANZ continues to invest in our digital channels to improve customer convenience and enable many of the transactions traditionally completed in-branch to occur online. This includes a focus on improving our customers financial wellbeing and enhancing self-service features to allow our customers to bank anywhere, anytime. Over the past two-years we've added additional digital features that now enable customers to:

- Open transaction and savings accounts;
- Existing customers who are operating a small business can open a business account;
- Set a savings goal and receive reminders and tips to encourage them to commence savings goals, inform them when they're falling behind targets and provide ideas on how to get back-on-track;
- View home loan details including available redraw;
- Access and download statements and view spend summary for business and consumer accounts;
- Set or change a PIN number;
- Report a lost/stolen card or place a temporary block on a card; and,
- Update contact details.

ANZ is committed to providing accessible and inclusive banking services. As part of this commitment, we continue to invest in both our regional branch network and our digital banking options in-line with customer banking preferences. I hope this letter has provided information that will help the Taskforce to determine recommendations that address any existing community concerns.

If you require further information on the areas of our business outlined above, please let me know.

Yours Sincerely,



Katherine Bray  
**Managing Director, Retail Banking**