

Scams Prevention Framework

Finance Sector Union of Australia Submission

October 2024

Finance Sector Union

National Secretary: Julia Angrisano
Level 13, 380 La Trobe Street
Melbourne VIC Australia 3000

Ph: 1300 366 378

E: fsuinfo@fsunion.org.au

www.fsunion.org.au

This submission was prepared by FSU National Policy Officer Angela Budai

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About the FSU

The FSU is a registered employee organisation representing approximately 22,000 members across the banking and finance sector throughout Australia. FSU members work in banking, insurance, superannuation, financial planning and finance. Our membership is predominately female, many of whom are engaged in part-time and casual employment.

The FSU is a democratic organisation with representative governance by elected officials and volunteer members. The FSU is a member-led organisation in which rank and file members are elected to honorary official positions to governing bodies within the Union. This includes the National Congress which is the supreme governing body of the Union.

National Congress has the management and control of the affairs of the Union and is comprised of predominately volunteer members. These members are elected by the wider membership to represent their interests. They are not paid officials.

The FSU is proud of its long history representing members to achieve better wages and fairer conditions.

Our members are committed to higher integrity in the finance sector and see their role as advocates for a better industry.

The role of finance workers in preventing scams

Finance workers are often at the front line when customers are impacted by scams, particularly vulnerable customers. Finance workers across the breadth of the industry – from bank branch workers to superannuation workers to financial planners play a crucial role in preventing customers from losing their money to scammers. It is essential when implementing a prevention framework that the value and importance of front-line workers is recognised and that any systems recognise both the value and limitations of automated processes.

FSU members have shared stories of cases where their quick thinking and deep knowledge has prevented customers from the loss of their life savings to scammers. One of the best known of these cases involved a scammer who masqueraded as a conveyancer attempting to steal six million dollars¹. In this case it was a bank worker in a retail branch who identified the inconsistencies and was able to verify that the customer was being targeted by a scammer.

The FSU is extremely concerned at the rapid increase in retail bank branch closures. Retail bank branches are one of the most effective lines of defence between vulnerable customers and scammers. FSU members have reported numerous cases (just like the one reported above) where they have been able to prevent customers losing large sums of money to scammers after presenting in a branch with a transaction request. These points of presence are potentially important for elderly customers, customers from non-English speaking backgrounds, and customers with poor digital literacy who are potentially more vulnerable to scammers.

The FSU welcomes the framework and the development of a detailed code for the banking sector. The framework is good and provides additional tough obligations on businesses to protect consumers, it does not, however, acknowledge or include the important role that workers make in scam protection. There are questions about how this banking code of this framework will be implemented and rolled out across the industry. The impact of this regulation will be felt differently on workers in smaller and larger entities. The FSU's expertise was a valuable contribution the Hayne Royal Commission and shed light on realities of the banking sector. It is essential that as the voice of the workforce the FSU is involved in the development and rollout of the specific banking industry code.

The FSU notes that the Australian Financial Complaints Authority (AFCA) has been designated as the single body to handle external dispute resolution (EDR) under the proposed legislation across all

¹ [NAB bank teller stops customer from transferring \\$6 million to scammer pretending to be her conveyancer | 7NEWS](#)

sectors. We welcome this decision and note that the AFCA will require additional resources to manage this additional workload. The FSU represents workers at the AFCA and our members have already noticed an increase in workload as the number of complaints about scams has increased in recent years. It is vital that with this designation there is not only an appropriate increase in resourcing but that ACFA workers are provided with updated training on the additional obligations of entities under this legislation.