

ACCC Submission on ABA application re Fee Free ATM access to ATM services in very remote Indigenous communities

Summary

ASIC supports the ABA's application seeking to revoke authorisation A91312 and substitute it with a new authorisation for the Implementation Agreement relating to fee free access to ATM services in very remote Indigenous communities (**ATM Fee Arrangement**).

Background

ASIC established the Indigenous Outreach Program (**IOP**) formally in 2009 in response to growing awareness of Indigenous consumers with various financial services issues. The IOP's role is to provide support and assistance to Indigenous financial consumers, and their advocates, across Australia. This includes taking enquiries and reports of misconduct in relation to those engaging in the financial services industry, conducting outreach and other stakeholder liaison, and working with industry and consumers to improve the financial capability, and services provided to Indigenous consumers.

ASIC's IOP was involved in the fee free ATM work through the ATM Taskforce in 2010, and subsequently in the lead up to the ATM Fee Arrangement and the ATM Reform Information and Education Campaign. Through a memorandum of understanding with the Department of Human Services (then the Department of Families, Housing, Community Services and Indigenous Affairs), IOP conducted outreach to 14 of the very remote Indigenous communities where the ATM Fee Arrangement was in operation. This involved attending the 14 communities, holding community meetings to provide information and educational messages, and raising awareness within the community through any other means (ie meeting with stakeholders, local service providers, etc). ASIC provided reports and feedback following this outreach.

ASIC submissions

ASIC continues to support the ATM Fee Free Arrangement objectives, which are to:

- ensure that consumers who live in eligible very remote Indigenous communities are able to conduct cash withdrawals and balance inquiries without incurring an ATM fee; and
- improve and promote access to banking and financial services for Indigenous people living in very remote communities.

ASIC agrees with the ABA submissions supporting its application that the ATM Fee Arrangement:

- has, and continues to, provide significant public benefits including ensuring Indigenous people living in the eligible very remote communities are not financially burdened by substantial ATM fees from cumulative ATM inquiries and withdrawals;
- has not, and will not, have a detrimental or adverse effect on competition; and
- has not seen a significant change in consumer behaviour in relation to ATM usage, regardless of the current financial literacy and consumer education programs.

The IOP's experience is similar to the experience of financial counsellors and capability workers in the letter from Financial Counselling Australia, 5 July 2017 (Annexure E to the ABA submission in support of the application), and the statistics of continued high ATM usage in part 3.5 of the ABA submission. Although the ATM Fee Arrangement has ensured Indigenous consumers in eligible very remote communities are not incurring ATM fees, there has not been a substantive change in behaviour regarding the use of ATMs.

In this regard, ASIC submits that in order to achieve more substantial improvement in access to banking services, in the way of a change in behaviour of ATM usage, a significant commitment needs to be made to education aimed at improved financial capability of Indigenous consumers in the very remote communities. The initial ATM Reform Information and Education campaign was very limited and faced several practical difficulties. This one off type education is not sufficient to bring successful long term change in behaviour. There needs to be a serious commitment to long term change, whether through government or financial service industry involvement.

Due to the diversity across the very remote Indigenous communities where the ATM Fee Arrangement is operating; individual communities should be consulted to determine what would be appropriate, and what would be effective in bringing change. For example, this may be through face-to-face programs or workshops, which are regularly evaluated, aimed at increasing knowledge and access to telephone and internet banking for balance inquiries.

Further, consideration should be made of innovative solutions. For example, ASIC and the Territory Insurance Office ran a joint campaign producing a series of audio posters on ATM fees. These posters were attached to ATM's in 20 remote communities and delivered educational messages around ATM usage, in local languages. These posters are a simple, cost effective and successful method of sharing a message within very remote communities in the local language. By displaying the posters at the ATM, it ensures the consumers are receiving the message at an optimal time, similar to the ATM messaging, however in local language. More information, and audio messages included in the posters can be found on ASIC's MoneySmart website - www.moneysmart.gov.au/life-events-and-you/indigenous

ASIC also supports a renewed focus on the trial's second objective – to increase and promote access to banking and financial services for Indigenous people living in very remote communities. In this regard, ASIC would support further investigation of ways to improve financial services infrastructure in remote communities, including through the investigation of IT solutions.

For further information in relation to any of the submissions made please contact the IOP.