



30 October 2024

AUSTRAC
PO Box K534
Haymarket NSW 2140
By email: Guidance_Consultation@austrac.gov.au

To Whom It May Concern,

I am writing on behalf of Financial Counselling Victoria (FCVic) to provide feedback on the AUSTRAC *Consultation on draft updated guidance to assist customers who don't have standard identification*.

As the peak body and professional association for financial counsellors in Victoria who assist more than 23,000 Victorians every year, FCVic is uniquely positioned to understand systemic consumer issues including for vulnerable cohorts who may not have access to standard identification.

I note that we provided feedback in June 2022 to the initial AUSTRAC consultation on draft guidance, and we are very pleased to see that our recommendations have been incorporated especially as it applies to people who are or have recently been in prison, and transgender, intersex and gender diverse people. We believe that this will help to address issues experienced by these people where access to financial institutions is restricted due to a lack of identification.

We have one further recommendation specific to the draft guidance that may help to address barriers to access – **the inclusion of prison case workers and reintegration officers as suitable referees**.

This is particularly important as almost half of all prisons in Victoria (and potentially other states and territories) do not currently have access to a financial counselling service. In these circumstances, other prison service staff should be considered appropriate referees for customers wishing to access financial services. This amendment should also be reflected in the associated example referee form.

Further, I recommend that **AUSTRAC consider its guidance on debanking (Guidance on Financial services for customers that financial institutions assess to be higher risk)**, specifically as it relates to disadvantaged customers. The debanking guidance currently has a focus on business customers – however financial counsellors report multiple cases in which disadvantaged individuals have their bank accounts closed though they pose no money laundering, terrorism financing (ML/TF), or other serious financial crime risk.

This is particularly common for people who have been in contact with the justice system, though their crime may not be financial in nature, and for people experiencing multiple complex issues. A financial counsellor has reported that in one correctional facility alone, they have three clients expecting to receive redress payments of over \$100,000 each. Yet they do not currently have bank accounts and are unable to open an account due to discriminatory decisions by financial institutions around the level of risk they present.

While we acknowledge that financial institutions must comply with Australia's anti-money laundering and counter-terrorism financing framework, we assert that the clients in question do not pose a ML/TF risk.

FCVic's Prisons Network, a network of financial counsellors working within correctional facilities, are well positioned to provide informed feedback to AUSTRAC on how the debanking guidance could be amended to reflect better care for disadvantaged individual customers.

Thank you for your consideration. To discuss this letter further or for any further queries, please contact FCVic's Advocacy Manager Amanda Chan on achan@fcvic.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Zyl', with a long horizontal flourish underneath.

Zyl Hovenga-Wauchope
Executive Officer
Financial Counselling Victoria