



Australian Citizens Party

Craig Isherwood, National Secretary
PO Box 376, COBURG, VIC 3058

Phone: 1800 636 432 **Email:** info@citizensparty.org.au **Web:** citizensparty.org.au

MEDIA RELEASE

15 March 2023

Without warning NAB cuts off small business from online banking

The banks are pushing customers to do their banking online, but NAB's mistreatment of Paul Thomas shows this gives the banks enormous power over consumers which they are all too willing to abuse.

Last month on a Friday, 24 February, Big Four bank NAB cut off customer Paul Thomas from accessing his online business banking account through NAB Mobile Banking.

Paul was thrown into chaos and turmoil, unable to do his banking for four days, before NAB restored access again.

The account was turned off 15 days after NAB wrote Paul a letter giving him 30 days notice that they were closing his account without explanation.

This is an increasingly common practice by NAB and the other banks called "debanking".

Paul suspects that a NAB officer mistakenly cut off his access to NAB Mobile Banking prematurely, based on him being scheduled to be debanked.

Nevertheless, the mistake cost Paul dearly, triggering what he describes as a "downward spiral with my health, both emotionally, mentally and physically".

That is because it wasn't just the extreme inconvenience and stress of being cut off from his accounts with no explanation, but because Paul's cash-in-transit business has been debanked before—by Westpac in 2020.

Paul Thomas's company, Commander Security, is a small competitor to Armaguard and Prosecur, transporting cash to supply businesses and ATMs.

The banks are especially targeting cash handling, processing and remittance businesses like his for debanking.

When Westpac debanked him in 2020, he wasn't alone: a 2 December 2020 ABC article by Dan Ziffer reported that the banks had closed the accounts of numerous cash remittance companies which specialised in transferring money from ethnic communities in Australia to their families overseas.

The explanation was that following the massive fines the regulator AUSTRAC levelled on Westpac (\$1.3 billion) and CBA (\$700 million) for breaches of Anti-Money Laundering and Countering Terrorism Financing (AML-CTF) laws in 2018, the banks had become risk-averse at dealing with companies that handled large quantities of cash.

Except unlike the banks, Paul Thomas and all the cash remittance companies who were debanked were all fully compliant with AUSTRAC; if anything, as ABC noted, debanking them was forcing customers "to send money in riskier and less transparent ways outside of government oversight".

Also contradicting the "risk-averse" explanation, ABC cited one cash remittance business that hadn't been able to get a bank account for four years, long before the Westpac and CBA fines.

Paul Thomas said: "I am at a stalemate with my business and not sure where it will end up.

"How is it fair that everyday Australians are allowed to be subjected to such acts by these banks? It is demoralising, demeaning and downright soul-crushing. I have not properly slept and eaten in days. I have the company to be concerned about as well as employees to be considered. I am doing nothing wrong operating within the laws and legislations; we have policies and procedures in place in respect to AML-CTF Management and a complete audit trail."

One Nation Senator Malcolm Roberts raised Paul Thomas's case in the first hearing of the regional bank closures inquiry on 2 March, asking the NAB executives present: "NAB promotes customers banking online, but I know a NAB business customer, Paul Thomas from Commander Securities, who last week NAB cut off from internet banking without warning, leaving him in a crisis. Why should customers want to expose themselves to being treated like this?" The executives asked for more

information so they could follow up.

Robert Barwick, Research Director of the Australian Citizens Party (ACP) which has helped to highlight the banks' mistreatment of Paul Thomas, said: "Paul Thomas is actually a victim in the big banks' war on cash.

"The banks have goals to reduce, and even eliminate, cash use, as they boasted in mid-2020, that thanks to COVID, they had achieved goals to reduce cash use that they thought would take five years, in just 10 weeks.

"To achieve these goals—that are entirely to boost their power and profits, not benefit their customers—the banks are closing branches and ripping out ATMs to force everyone to transact digitally, and debanking businesses that are part of the infrastructure for supplying cash.

"Paul's case is a clear warning against allowing the banks to eliminate cash, because if all banking is digital, NAB and the other banks will have the power to cut you off from your money at their whim."

Robert Barwick said Paul Thomas's ordeal underscores the need for the ACP's policy of a government-owned post office bank, which wouldn't be allowed to discriminate against lawful business by debanking them, and would always supply cash.

Make a submission to regional bank closures inquiry calling for a postal bank

Submissions to the inquiry are due by 31 March. All communities, organisations, businesses, and individuals impacted by the banks' war on cash are *strongly* urged to make a submission, supporting a government post office bank.

A submission can be a formal representation from an organisation, or as simple as a letter or email, which explains to the Committee your experience and views.

Elderly and vulnerable regional bank customers, who are disproportionately affected, are especially encouraged to hand-write or type physical letters and mail them to the Committee through the post.

Mail your submission to the Committee at this address:

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Email your submission to the Committee at rrat.sen@aph.gov.au

Upload your submission, and get more information, [at the inquiry website](#)

For more information, phone the Committee on 02 6277 3511.

[Click here to sign the Citizens Party's petition for a post office people's bank.](#)