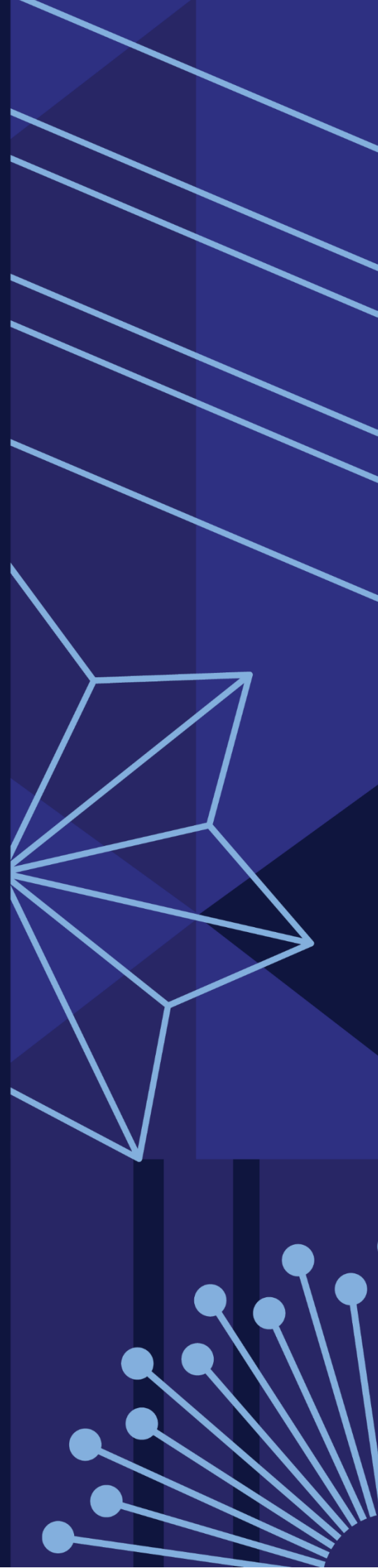


Supporting Vulnerable Customer Framework

Effective: 19 September 2024



**Australian
Military Bank**





Australian Military Bank

As Australia's longest serving Defence financial institution, we have supported those who protect and serve our country for over 65 years. Whether you are currently serving, are a Veteran, or a valued part of the ADF community, we are the bank that is with you for the journey.

As a member-owned bank, you can trust we are here for our members first. Our members and potential members include those within, or associated with, the broader Defence community such as family and associated contractors and ex-serving members.

Given the nature of our membership within the entire Defence community, there are individuals and/or families that may suffer unique and often elevated risks of vulnerability. Our approach to tackling vulnerability is critical in achieving our mission and must be appropriate for our members unique circumstances. This includes our members that may be in a position of vulnerability due to associated circumstances during, or post, military service.

We aim to adapt and enhance this framework as the needs of our members changes to ensure that we consistently deliver positive and supportive member outcomes.

At Australian Military Bank 'Our Members are our Mission'.

Our Unique Bond

We have a long and proud history of serving the Defence community in Australia, and we have a responsibility to ensure we consider the challenges that service life can bring.

It has been shown that those that have served in the Australian Defence Force have a higher risk of developing mental health issues than civilians. In a 2018 report on Mental Health Prevalence commissioned by Department of Veteran Affairs, it was noted that:

- ▶ Almost 3 in 4 transitioned ADF members (members who have left or are leaving the service) have met the criteria for a mental disorder at some stage in their lifetime. This could be either during, or prior to their military career
- ▶ One quarter of all transitioned ADF members were estimated to have met the criteria for post traumatic stress disorder in their lifetime.

These impacts on the Defence community can include a multitude of potential outcomes in the most extreme, homelessness.

However financial hardship, family separations and ongoing health issues are real impacts that create vulnerability for our members and their families. We have developed a framework with an enhanced focus on working with members and customers experiencing in situations that can be considered place them in a position of vulnerability.

We have a long and proud history of serving the Defence community in Australia. With this come the responsibility to ensure we consider the challenges a life of service can bring.





Commitment to Our Members

As a purpose-led Bank our commitment to our members is that all of our people are Member Advocates.

Our people are often those that are the first point of contact for our members and customers. We are committed to continuing to develop our people to be equipped with the knowledge and skills to provide the best advice to suit their needs as a responsible bank. We are also committed to developing a culturally aligned workforce that have the skills and tools to identify and support our members with empathy and knowledge in potential instances of hardship.

In addition, there are a number of specialist advocate positions have direct reporting relationships with executives and the Board.

Our leadership as our Mission One advocates includes, the Chief Member Experience Officers who provide support for programs and frameworks that are designed to identify, respond and/or support our members and our staff in instances of vulnerability.

The CEO, together with the Executive leadership, holds accountability for the delivery of the strategy and alignment of the entire operating model to the purpose of 'Our Members are our Mission', supported by the Executive team.

Our Board is made up of member elected as well as board appointed directors to ensure a focus on member impacts is considered at the governance level.





Member Vulnerability

Customer or member vulnerability refers to customers or members who are in circumstances which may result in them having a higher risk of suffering loss, damage or harm when they interact with a financial institution. Vulnerability describes the circumstances someone is in, it does not define who they are. People can move in and out of vulnerable circumstances and may experience more than one vulnerability factor at any one time. We also acknowledge that those experiencing vulnerability are disproportionately targeted by scammers and fraudsters, which can further exacerbate their situation. Vulnerability can be a result of a number of factors as shown in below table:

Vulnerability describes the circumstances someone is in, it does not define who they are. People can move in and out of vulnerable circumstances and may experience more than one vulnerability factor at any one time.

Vulnerability Factor	Possible impacts
Homelessness	▶ People experiencing homelessness are at a disadvantage when it comes to accessing financial services. Without a permanent address and unreliable access to technology, people can miss out on key communication and may find it hard to meet a bank's identification requirements. People experiencing homelessness also often face stigma and discrimination which can exacerbate their situation further.
Domestic Violence	▶ Victims of domestic violence can become subject to financial abuse where they lose control over their money. This could include the abuser restricting access to the victim's bank accounts, coercive control, refinancing of debts and bills into the victim's name or monitoring the victim's purchasing patterns.
Financial Abuse	▶ Financial abuse is often difficult to recognise and it can occur with or without other factors of vulnerability. Financial abuse refers to someone taking-away access to your money, manipulating financial decisions or using your money without your consent (moneysmart.gov.au).
Mental Illness	▶ Mental illness can impact on someone's ability to make sound financial decisions. It can also impact on their ability to access banking services as this often requires complex interactions either digitally or with another person: something that some people living with mental health issues may find challenging.
Serious Health Issues	▶ This could include relying on someone else to do your banking, having mobility or access issues, or the financial burden of high medical costs.
Substance Abuse & Gambling Addictions	▶ People battling addiction to alcohol, illicit drugs or other addictions, can often end-up in financial difficulty as their addiction can impact on their ability to maintain steady employment, as well as stretching household finances.
Age-related impairment	▶ This could be as simple as unfamiliarity with new technologies, but could also be a result of impaired cognition related to a degenerative condition.
Cognitive Impairment	▶ Could include: difficulties in reading, writing or communicating; difficulty working with complex information, unfamiliarity with





Vulnerability Factor	Possible impacts
	banking products and services or requiring the assistance of a support person.
Disability	▶ Physical disability could impact on a person's ability to access our branches, ATMs or technology.
Elder abuse	▶ Where a person is reliant on an attorney or support person to assist them with their finances, there is the potential for that support person to abuse this power for their own benefit (eg. accessing the individual's bank account to purchase goods for their own benefit, not for the benefit of the individual).
Cultural background or language barriers	▶ Limited knowledge of the English language could increase the risk of miscommunication and result in someone misunderstanding the information being presented to them.

Our Approach

Our approach to tackling the potential vulnerability of our members is built on three pillars, which are outlined below. This approach is to acknowledge that each situation is different, so the way we respond will also often be different. For this reason, the framework is deliberately non-prescriptive, but rather relies on the Bank supporting our staff to identify situations in which a customer may be vulnerable and then ensuring that they have the tools and capabilities to adjust their delivery of our services.

Pillar One: Identifying when someone may be experiencing vulnerability

We are committed to providing our staff with training on how to identify situations where someone may be experiencing vulnerability. Because of the unique nature of our membership base, we place particular emphasis on working with customers who may be experiencing the impacts of post-service trauma. We have partnered with organisations who work closely with the veteran community in order to understand how we can better support individuals who may be experiencing post-service impacts (such as, but not limited to, PTSD, anxiety and depression).

Our actions under this pillar include:

- ▶ Training staff to identify signs of vulnerability. This includes both front-line staff, as well as staff in support roles, such as credit, settlements and product development.
- ▶ Understanding how the unique nature of military life can contribute to or exacerbate vulnerability factors, and considering these factors in how we work with customers. For example:
 - Members who are experiencing post-service impacts may find themselves isolated – either physically or psychologically – from their support networks
 - Due to the high-stress, high-pressure work environments which ADF members experience, there is a higher incidence of mental health issues in the ADF community, than the wider community
- ▶ Where we believe it is in our customers' best interests to do so, and where Privacy Laws allow, we may leverage data to identify situations of potential vulnerability





Pillar Two: Empowering our people to adapt their service

We do not expect our staff to have all the solutions to a particular situation; however we do want to empower them to adapt the way they deliver services to members who they believe may be experiencing vulnerability. In all cases, our main focus is to ensure that the customer feels heard, safe and understood.

Our actions under this pillar include:

- ▶ Where we identify customers who may be experiencing vulnerability, we will take extra care and adapt customer service standards where reasonability practical
- ▶ Our staff all act as Member Advocates, consistently considering impacts to our members and feeding this information back to the business. Where current processes and policies do not provide the flexibility staff need to adapt to a situation, they can escalate to a Specialist Member Advocate. A Specialist Member Advocate may, for example:
 - Where legally allowable, accept scanned or emailed documents in lieu of original documents
 - Accept alternative forms of customer identification where a customer may not have access to the generally required information
 - Provide extensions to approvals, valuations or exceptions
 - Waive fees
 - Update a member's contact details in critical situations without identification
 - Organise for Cards or Loan Documents to be sent to alternative addresses.

Pillar Three: Considering vulnerability at all levels of organisation decision-making

We incorporate customer vulnerability discussions into all new initiatives and projects to ensure that we are always aware of how changes to our products and services could impact on customers. Each time the Bank develops a new process, service, or product; or, where an existing process, service or product is reviewed, customer vulnerability is considered.

Our actions under this pillar include:

- ▶ Ensuring that accessibility is considered, in light of customers with potential physical, visual and auditory disabilities
- ▶ Considering the complexity of design of products and whether this could impact on how members in vulnerable situations can make decisions, particularly those who might be experiencing:
 - mental health issues
 - age-related impairment
 - cognitive impairment
 - elder abuse
 - financial abuse.
- ▶ Using scenario analysis to identify how the unique nature of Defence-life might impact on how a policy, process or product works. Specific scenarios that may be used include:
 - Deployment
 - Mental health issues, in particular PTSD and Anxiety
 - Domestic Violence.

We also consider the impacts on our staff who work with customers in these situations. Because of our close bond to our membership base, we know that our staff naturally have more empathy and consideration of the members they work with. Because of this, it's important that we train our leaders to support staff members who are working with customers in these situations.





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