

From: Peter J McLoughlin,

28 January 2024

To: Director,
Payments Strategy Policy Unit,
Financial System Division,
The Treasury,
Langton Crescent,
PARKES ACT 2600.

Dear Sir / Madam,

RE: WINDING DOWN AUSTRALIA'S CHEQUE SYSTEM

I refer to the Consultation Paper of December 2023 concerning the above.

The big losers in winding down and abolishing use of cheques will be senior Australians and individuals living in regional and remote areas of Australia.

FEDERAL GOVERNMENT:

1. On the basis of media reports the Federal Government, no doubt lobbied by the banks, has already made an "in principle" decision to abolish cheques and set a time frame for their abolition!
2. The consultation paper, and responses to same, will be used to state "consultations" occurred!

THE BANKS:

1. The big winners are the banks. They have implemented a systematic closure of their branches throughout the country with little regard to elderly customers and, in particular, customers in regional areas. If we just look at part of the Western Victoria region these closures include:
 - a. WBC have closed their Branches in Apollo Bay and Torquay.
 - b. ANZ have closed their Branch in Torquay. As a former customer one always had to wait to be served so I doubt lack of customers using the Branch would have been the real issue!
 - c. NAB have closed their Winchelsea and Wendouree (Ballarat) Branches and their Branch at Waurin Ponds, a major shopping centre in Geelong, does not have a teller service and directs customers to the nearby Post Office agency!
 - d. BEN which are to be applauded for setting up their "community" branch model have already abolished cheques as has MYS in Tasmania.
 - e. Many financial institutions, with the ANZ Bank being the major exception, have entered in to an agreement with Australia Post to provide "limited banking arrangements".
2. I question the average cost to process a cheque is \$5. Page 7 of the Consultation paper refers. If this was the case the Banks would have introduced a charge, depending upon of the number of cheques issued, on customers with a cheque account. Furthermore the interest paid on sums in cheque accounts, in many instances quite significant, is minimal and would offset the costs.

THE INTERNET:

Many Australians have reservations about the security of the internet and many senior Australians do not have access to same. Individuals with an internet service, despite installing security services, receive scam emails that are hard to identify. For example emails alluding to be from the Australia Post, Bendigo Bank and from Telstra are just three of many. The emails appear, on a prima facie basis, to be genuine (but if one checks the return address) they are obviously scams. Many individuals, particularly the elderly, have been conned by such emails and subsequently lost significant amounts of money. There is no reference in the Consultation paper as to how many individuals and how much money has been lost due to scams! I wonder why?

CREDIT CARDS:

1. The media has reported numerous occasions of the hacking of large organisations, including Medibank, with individuals personal information, including credit card details stolen!
2. The withdrawal of cheques will mean many Australians will not make donations to the likes of charities such as Peter MacCallum & Prostate Cancer Foundations, Guide Dogs Victoria etc. Many are not prepared to give credit card details to numerous organisations.
3. Many individuals use cheques to pay for tickets in the likes of the Mater Art Union (provides hospital services in Queensland) and the RSL Art Union (for the support of veterans). The abolition of cheques will reduce support for such organisations by buying raffle tickets (if the only option is using credit cards in lieu).

CONCLUSION:

1. The increased incidence of cybercrimes, scams has eroded confidence in digital alternatives.
2. The Consultation paper does not provide any information, whatsoever, concerning the growing costs to individuals and organisations of moneys lost due to scams and cybercrime! This information should have been included in the Consultation paper!
3. Irrespective of the decline in the use of cheques their abolition, as proposed by the Federal Government, is presumably merely complying with the requests of the Banks to improve their bottom line and may well expose many, particularly elderly, Australians to financial loss. And we all know the extremely generous salaries Senior Executives (from the CEO's downward) and Directors receive.

Yours sincerely,



(Peter J McLoughlin)