

23rd January 2024

The Director
Payments Strategy + Policy Unit
Financial Systems Division
Treasury
Langton Res.
PARKEES, ACT 2600

RE - WINDING DOWN AUSTRALIA'S CHEQUES SYSTEM.

I enclose a submission concerning the above.

Also enclosed are the following:

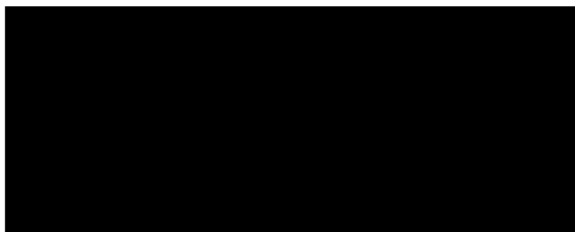
- (A) Postscript to my submission.
- (B) Copy of letter from Bendigo Bank dated 24th July 2023 addressed just to me concerning our joint cheque account.
- (C) Copy of letter from Bendigo Bank dated 24th July 2023 in her capacity as president of the Mission Group of the local church.
- (d) Copy of letter of complaint dated 24th August 2023 I forwarded to Bendigo Bank head office.
- (e) Copy of letter from Bendigo Bank dated 7th September 2023 in response to my letter.

Yours faithfully

Percy Tudman

NOTE - I have no problems
with all or part of
my submission being
made available to the public

PERCY TUDMAN



WINDING DOWN AUSTRALIA'S CHEQUES SYSTEM SUBMISSION

I recently obtained a copy of your paper "Winding down Australia's Cheques System" by courtesy of local Federal M.P. Mr Ted O'Brien.

May I congratulate your office on the way that the paper was presented, explaining the pros and cons of this transition.

My submission is mainly to do with the Banks and the way they are handling this matter. They do not seem to want to consider the effect that this transition may have on the most vulnerable people in the community, mainly elderly people such as my wife and myself (aged 86/83).

I personally have had a cheque account for 70 years. I have a banking background, but have no credit card, debit card or computer. I rely solely on cheques and cash.

The Banks seem hell-bent on inflicting pain on people like us. R.A.C.B. Bank (admittedly a small Bank with probably few cheque account customers) in the recent editorial in their magazine stated the following:

"All cheques should be presented for payment by 27th May 2024. Cheques presented after this date will be dishonoured."

What a way to treat customers!!

In other words "Do as you are told or we will bounce your cheques."

As a retired bank manager, I know that ~~one~~ ^{one} of the worst things you can do to customers is bounce their cheques. It used to be called "wrongful dishonour" and customers would be in their rights to take legal action against the Bank if a cheque was bounced and they had adequate funds to cover the cheque.

On page 6 of your paper, you have set out the potential plan for the phasing out of cheques. I personally would not like to see cheques phased out at all, but being pragmatic, I have no great problem with this plan. If only the Banks would follow your plan, I would probably not be writing this submission.

If the R.A.C.B. Bank is an example of what is to come, personal cheques could be phased out completely by the end of 2024. Talk about competition between Banks !!

It appears that the Banks being Banks want to make things easier and more profitable for them. Never mind the customers who ~~would~~ would be affected.

It seems we have a cartel on our hands. What is the answer then for those of us using cheque facilities?

THERE IS NONE!! FOR THERE IS NOWHERE ELSE TO GO!!

The question I ask is "Can the Government do something to ^{assist} ~~ask~~ cheque account holders?"

For years now the Banks have been getting away with murder. As you are aware they have closed down many branches (mainly in country areas) and while Governments of both persuasions have made threats and we have had a Royal Commission, little has changed. The Banks have gone merrily on their way and reaped in ever-increasing multi-billion dollar profits.

Surely, the Government can get the Banks together and insist that they work to the Government's program and not their own.

The Government seems to be able to legislate in other areas, but the Banks seem to be sacred cows.

As someone who issues cheques regularly to various charities, I am concerned at the effect that phasing out of cheques will have on these organisations who contribute to the well-being of many people in need, here and overseas.

Your paper acknowledges this when it states that "migrating their donors to different payment methods may require significant effort." More problems to be faced by these caring people, many of whom would be volunteers.

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Surely, the Government would have empathy with these charity organisations who help so many people, ~~and~~ an empathy which the Banks do not appear to have.

Already one of our friends aged 90 who banks with Suncorp has written to a number of charities she supports to let them know that she will no longer be supporting them as Suncorp will no longer be recognising her cheques after March. I am also seriously considering taking this step if the Bank I bank with acts prematurely.

How will organisations make the "significant efforts" ~~for customers~~ for their supporters to "migrate to different payment methods".

Maybe some of the volunteers in these organisations are quite old and lack the financial acumen to help their supporters "migrate".

Have the Banks considered the effects this may have on charities? Where is their empathy? It appears that they care more about their profits and making things more simpler for them.

Another matter I would like to bring up is that on page 7 of your paper mention is made that cheque fraud in 2022 totalled £2.4 million. To me that is a drop in the ocean when spread over the various banks. The big four banks probably would not suffer losses of £500,000 ~~between them~~ each, a minute hit to their billion dollar profits.

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And I read recently that Australians lost \$455 M. in 2023 in scams.

I doubt that sophisticated fraudsters would be interested in the cheque system which yields about \$2 M and would rather concentrate on the areas where the real money is.

The Government to its credit has recognised this and established the National Anti Scam Centre, something that would be hardly necessary in the age of just cash and cheques.

While acknowledging that a number of countries such as New Zealand have got rid of cheques altogether, your paper makes the point that "large countries like the United States of America or the United Kingdom where cheques are still commonly used have'nt."

TO SUMMARISE:

While I believe that Governments in general have too much control over our lives, I believe that there should be more control over the Banking System.

No doubt it would be preferable for the Banks to voluntarily agree to delay the phasing out of the cheque account system. It is doubtful if they could do this as some banks have already made their intentions clear and it does not include the plan as set forth on page 6 of your paper.

The Royal Commission of 2018 appears to have had little effect on them as they continue to put profits before people.

6

Therefore, with opposition support, could the Government put in place laws legislating the transition plan outlined on page 6 of your paper? And also make it unlawful for Banks to dishonour cheques for other reasons than lack of funds.

Otherwise, come the end of 2024, will the only people able to issue cheques be the Government? Is this the "smooth transition away from cheques" that has been envisaged?

The Government should consider a compromise that would be acceptable to all parties concerned, including vulnerable older people and organisations particularly charities.

As a final comment it is noted that the Government has promised to put pressure on supermarkets to rein in their prices. If the Government has difficulty with the Banks, will they be more successful in their dealings with the supermarkets?

Legislating the deadline for the phasing out of cheques appears to be much simpler than dealing with the complexities of hundreds of products in supermarkets.

[REDACTED]
(FOR P.T. & J.J. TUDMAN).

"A"

POSTSCRIPT

An unexpected development !!!

My wife had occasion to visit the local branch of the Bank of Queensland last week and mentioned that she was unhappy with Banks phasing out cheques.

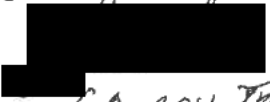
The clerk responded that the Bank of Queensland were still opening accounts with cheque facilities.

Accordingly ~~we~~ we have made an appointment with the Bank for 25th January to open such an account.

Therefore the Bank of Queensland has been removed from my list of greedy Bankers referred to in the following ditty.

WE ARE HAPPY WEALTHY BANKERS
AND EVERY ONE CAN SEE
THAT MAKING MONEY IS A JOB
THAT WE TAKE SERIOUSLY.
BUT WE HATE CHEQUE ACCOUNTS
AND WE'LL GET RID OF CHEQUE ACCOUNTS
AND WE'LL DO SO HAPPILY.

Once again
Yours faithfully


(PERCY TIDMAN)

"B"

24 July 2023

002/005276



P T & J J TUDMAN



Mr Tudman,

Customer Number 

We're making changes to cheque payments.

Australia's payment landscape is changing. More Australians are leaving behind their chequebooks and choosing simpler, more reliable and immediate electronic payments.

With cheques now used less frequently, we're introducing some changes to the way our cheque payments are supported.

What's changing?

Given that you sometimes use cheques for your payments, we wanted to let you know how things will be different.

For new accounts

From 1 August 2023, cheque books will not be available on new accounts opened by new or existing customers.

For existing accounts- cheque book replacement

From 1 September 2023, replacement cheque books will no longer be issued automatically. Cheque books will still be available if you contact us or visit a branch.

For existing accounts- cheque book ordering

From 1 November 2023, cheque books will no longer be available to order on existing accounts. Customers with existing cheque books will be able to retain these.

As we move towards the overall removal of cheques as a payment service, we will keep you updated on the timing of any additional changes.

Do I need to do anything?

There's nothing you need to do now. However, given we're working towards phasing out cheques, it's a good time to familiarise yourself with our secure, reliable electronic payment methods, including Pay Anyone/Osko, BPAY and BPAY View, and BPAY batch.

If you'd like more information about how to use any of these electronic payment methods, please visit www.bendigobank.com.au/cheques

If you have any questions about this letter, or any other general enquiries, please speak to our friendly staff on **1300 236 344** or visit your nearest branch. We're here to help you in whatever way we can.

Many thanks

The Bendigo Bank team

The Bendigo Centre, PO Box 480, Bendigo VIC 3552 p 1300 236 344

bendigobank.com.au

"C"

24 July 2023



002/005304



Mrs Trudman,

Customer Number



We're making changes to cheque payments.

Australia's payment landscape is changing. More Australians are leaving behind their chequebooks and choosing more reliable and immediate electronic payments.

With cheques now used less frequently, we're introducing some changes to the way our cheque payments are supported which will see cheques phased out completely across Australia by 2030.

The payment insights attached illustrate how Australians' preferred payment methods are evolving and moving away from cheques as a payment method.

What's changing?

As a business owner who uses cheques, we understand the importance of having flexible payment options to run your business. We want to let you know how things are changing and provide you with more information on alternative secure and reliable electronic payment methods.

For new accounts

From 1 August 2023, cheque books will not be available on new accounts opened by new or existing customers.

For existing accounts- cheque book replacement

From 1 November 2023, replacement cheque books will no longer be issued automatically. Cheque books will still be available if you contact us or visit a branch.

For existing accounts- cheque book ordering

From 1 November 2023, cheque books will no longer be available to order on existing accounts. Customers with existing cheque books will be able to retain these.

As we move towards the overall removal of cheques as a payment service, we will keep you updated on the timing of additional changes.

Do I need to do anything?

What we would like you to do is consider what the retirement of cheques means for your business. We want to work with you to embed new payment practices to ensure your business is ready when cheques are no longer available. Now is time to familiarise yourself with our secure, reliable electronic payment methods, including Pay Anyone/Osko, Bulk Pay BPAY and BPAY View, and BPAY batch.

If you'd like more information about how to use any of these electronic payment methods, please visit www.bendigobank.com.au/cheques

To learn more about alternate payment methods available to you and your business, please contact your Relationship Manager, speak to our friendly staff on **1300 236 344** or visit your nearest branch. We're here to help you in whatever way we can.

Many thanks

The Bendigo Bank team

079BA105 / E-5304 / S-5304 / I-10607 / 00338825070064756

"D" ①
THE BENDIGO BANK TEAM

THE BENDIGO CENTRE

P.O. BOX 480

BENDIGO VIC 3552 (REFER COMPLAINT SECTION)

DEAR BANKERS

24th August, 2023

CUSTOMER NO. [REDACTED]

Allow me to introduce myself. My name is Percy Judman of [REDACTED]. I have been a customer of the [REDACTED] branch of the Bendigo Bank for the past 6 years. I hold with my wife 2 cheque accounts and 2 term deposits as well as house insurance with C.G.U.

I have had cheque accounts for 69½ years and pay most accounts by cheque.

In the past 12 months my wife and I have issued cheques to pay the following:

Council Rates

Water Rates

Electricity Accounts

Car Registration

Car Insurance

Renewal of Drivers' Licences

RACQ Membership

House / Contents Insurance with C.G.U.

Telstra

Car Services

All of these organisations seem quite happy with our prompt payments of these accounts.

Also our other account (No. 2 A/c) is used only to make payments to Christian organisations & in June / December and on occasions to other worthwhile causes.

I do not have a ~~so~~ credit card, a debit card, E-mail facilities or a computer.

So then I was not very impressed to receive letter (2) dated 24th July 2023 advising that the Bendigo Bank is changing their system by phasing out cheques.

I feel that these letters lack any empathy or warmth right from the start as the introduction on both was Mr Judman - not dear Mr Judman. Dear ~~Mr~~ Sir would have even been more acceptable. No mention was made of my wife of 56 years who is a party to these accounts.

The opening sentence highlighted in red said "we're making changes to cheque accounts" (maybe you should have added "whether you like it or not" as electronic payments are simpler and more reliable).

In the 69½ years I have been using cheques I estimate I have written around 3,000 cheques and have found them very simple and reliable and I have no doubt most other users of cheques would say the same.

I have had virtually no problem with them during that time and I use cheques often rather than "sometimes" as stated in your letters.

The letters which I received on 1st ~~September~~^{August} stated in a very autocratic fashion that cheque facilities would not be available on new accounts ~~would~~ opened after 1st August for new or existing customers.

What then if my wife or I were to die suddenly, the survivor would then no longer be able to issue cheques (earlier than expected) as our accounts are in joint names. We don't expect this to happen of course as we are in reasonably good health but as we are aged 86/83, we have only a limited time left.

would not other elderly couple who still use cheques, also be concerned about this?

Also disturbing is that from 1st November we will not be able to obtain a cheque book from the Bank which will help you to expedite the removal of cheques as a payment service - no doubt suitable to the Bank rather how it may affect people like us.

No where in your letter to me were any dates provided when it is expected that cheques would be phased out completely.

So I will now draw your attention to another letter also dated 24th July 2023. This letter was addressed to my wife in her capacity as the president of the Maroochydore Anglican Church Mission Group.

In that letter it was stated that cheques would be phased out by 2030, some 7 years away.

Why was this date not mentioned to me or similarly affected customers? Why the secrecy?

Also provided on the reverse of the letter addressed to my wife (and not to me) was the information that 28.8 million cheques were issued in 2022 - not an insignificant number.

I have briefly discussed this letter with the excellent staff of the local Bendigo Bank (Maroochydore branch) which is only 2 KMS from my home. I have also had a lengthy conversation with Jonathon at Head Office.

I do understand that one day in this "brave new world" cheques will disappear but I was hoping that I would be gone from this world before this happened.

But what I don't understand is why there is such a mad rush by banks such as Bendigo to hasten the phasing out of cheques. Was I mistaken to believe that Banks had their customers' interests

(1)

at heart. Or is it simply that Banks want to make things more simpler and profitable for them. And if customers are inconvenienced "so what".

I would also like to mention the matter of fraud. In my 38 years of bank employment (the last 13 years as manager) I encountered little bank fraud. But now it appears that technology has brought with it an increasing number of frauds and Banks are now having to deal with frauds on a more regular basis.

I respectfully would like to make the following suggestion.

1) Be less dogmatic in your attitude to existing customers by allowing ~~cheque~~ accounts opened for existing customers to have cheque facilities if ~~there~~ is a sound reason for doing so. For instance as I have previously outlined death of one of the parties to an account.

2) Existing customers to be able to obtain cheque books ~~on~~ until say 31st December 2024.

I am sure many of your customers (particularly older ones such as my wife and myself) would appreciate these moves.

I do not know what other banks are doing as regarding the phasing out of cheques. But surely Bendigo Bank should not want to be in lockstep with other banks but should show they have a heart by listening to customers especially older ~~one~~ like my wife and myself.

I would appreciate a response from you as soon as possible and that you are aware that I may send a ~~copy~~ copy to the local federal MP Ted O'Brien. I hope I will not be forced to send a copy to AFCA.

Yours sincerely
Norman (Percy) Tidman

"E"

7 September 2023

Percival T Tudman

Dear Mr Tudman

Thank you for your feedback received by the Bank on 31 August 2023

I appreciate you taking the time to bring your concern to our attention and allowing me the opportunity to provide you with this response.

Please be advised that your concerns have been formally documented and escalated in accordance with the Bank's Internal Dispute Resolution Policy. For your convenience, your Service Record number is: 1-11511882734.

With cheques now used less frequently, and the payment landscape changing across the industry, we are introducing some changes to the way our cheque payments are supported, which will see cheques phased out completely across Australia by 2030.

As we move towards the overall removal of cheques as a payment and deposit service, we will keep our customers updated on the timing of any additional changes. As for now, there is nothing you need to do. However, we recommend given we are working towards phasing out cheques, it's a good opportunity to familiarise yourself with our secure, reliable electronic payment methods, including Pay Anyone/Osko, BPAY and BPAY View, and BPAY batch.

If you'd like more information about how to use any of these payment methods, please visit www.bendigobank.com.au/cheques. Or alternatively, visit your local branch where our friendly staff will be more than happy to talk you through the upcoming changes, and assist you to navigate the best way to conduct your banking into the future.

After investigating your feedback, the decision was made to address the letter to the first person named on the account. This is due to some accounts held with Bendigo Bank have multiple account holders. The decision to add additional information to non-for-profit and business account holders' letters was based around the statistics these customers utilise cheques more frequently. The date of 2023 has been advised by the Reserve Bank of Australia, Bendigo Bank is yet to determine a final date, but all customers will be notified once this is set.

On behalf of Bendigo Bank, I would like to apologise for the inconvenience this may have caused you and thank you again for taking the time to let us know of your experience.

If you have any further questions, or have any other general enquiries, please feel free to call our Consumer Service team by calling 1300 236 344.

Yours sincerely



Tamara
Case Manager
Customer Feedback Team