

[REDACTED]

16 January 2024

The Director
Payments Strategy & Policy Unit
Financial Systems Division
The Treasury
Langdon Crescent
PARKES ACT 2600

Dear Sir/Madam,

Re: Winding Down Australia's Cheque System
Consultation Paper December 2023

I refer to your above consultation paper and respectfully request that Treasury give consideration to my attached submission.

To briefly introduce myself, I have been a life-time resident of [REDACTED]

My occupation was a general Insurance Loss Adjuster for 40 years and I was appointed a Justice of the Peace NSW on 28 January 1981 (38 years).

I retired at the end of 2019 at age 68 and became an aged pensioner in 2020.

I do not own a mobile 'phone, nor do I have an online computer and hence, I have no access to the internet.

I do not believe any of my submissions will breach the Freedom of Information Act as my comments are based on that which is basically common knowledge or fact, media reports and my personal opinions.

I also attach my request for personal information confidentiality.

Yours faithfully, [REDACTED]

[REDACTED]

Encls. Confidentiality Request
Submission to Treasury

TREASURY SUBMISSION – AUSTRALIA'S CHEQUE SYSTEM

I believe it is reasonable to briefly equate you of my feelings upon retirement so perhaps you may understand where I am coming from.

In my wildest dreams, I had never thought of what would occur when I finished work. Total cessation of contact with co-workers, clients, trades people and travelling as well as living alone gave a profound feeling of loneliness and isolation. This was further exacerbated when COVID-19 clicked in around 3 months later. Nothing much has changed in the ensuing 4 years.

I have always been a cash/cheque person but I also have a visa card.

My arguments against cessation of cheques are as follows:-

1. Prior to 30 June 2023 some farming friends (a couple of 100 K's away) asked me to assist with an insurance renewal. Returning to [REDACTED] with their credit card details, the insurance company couldn't process the renewal because they said there were insufficient funds. My stressed friends went to the bank the next day (about 50 Km away) and were told there was nothing wrong and there were sufficient funds. I returned to the insurer and they said the Bank's system was down the day prior. The payment was duly processed. In other words, "the insufficient funds" was a load of rubbish and the bank's system was simply down.
2. It was well published that on 8 November 2023, the Optus system went down in Queensland. Businesses lost mega from the credit card system not being processed.
3. In December 2023, St Vincent's Hospital Patients' records were hacked. So much for cyber security.
4. On 18 December 2023, I cashed a cheque at my bank and went up the road to deposit funds in my daughter's account at her bank so she could put cash in my grandsons' Xmas cards that I had previously sent to her. Their system was down but they accepted the deposit. Fortunately, the deposit went through the next day. No transfer fees as the cash funds went direct to her account.
5. On 3 January 2024 it was reported that 30,000 families had disconnected from the NBN because they can't afford it.
6. On 6 January 2024 the Reserve Bank of Australia warned the eftpos payment industry it will force new laws to stop gouging with experts reporting everyday purchases are collectively costing Australians \$1 billion more than they should, due to sky-high card fees charged by banks and payment terminal companies.
7. On 8 January 2024 a Melbourne retiree couple were reported as losing \$2.5m of their life savings amid claims that banks were doing little to halt money laundering. There were 7 banks involved. Although the banks obviously did not take the money, the scammers used mule accounts to siphon the money away and the banks authorised the transfers. I don't believe it is unreasonable to question as to why the banks' cyber security did not pick up on the anomalies. [REDACTED]

8. I recently went into town to pay a tradie for services rendered. I forgot my cheque book and paid their account using the visa card. I incurred a 2% surcharge to cover their bank charges.
9. I have noted from the Consultation Paper that cheque use has declined in recent decades. This should not be unexpected as the bulk of suppliers have been requesting payments via digital methods for quite some time. Telstra, for example wants payments via BPay, direct debit, their Telstra Ap or cash via Post Billpay. I don't mind paying cash because my account is relatively minor.
10. Every week I go to my bank and cash a cheque from my cheque account for weekly groceries and payment of minor accounts. I am not required to pay any fees. I only draw cheques for accounts in excess of \$300.00 or more as I do not like to have too much cash on my person. On 27.11.2023 I drew a cheque in favour of the local council for quarterly payment of land rates. Australia Post cleared the cheque on the same date. Likewise with a cheque for electricity which Australia Post cleared in 2 days. This was confirmed by my bank statements. Payments were cleared prior to the due dates of the accounts.
11. In respect to my Visa account, I believe it costs me about \$30.00 per annum for its operation. I don't pay any interest charges because I ensure the full payment is made prior to the due date. The interest rate is around 20.49% per annum calculated daily for purchases if full payment is not made.
12. I fail to see the point of paying \$13.00 for a money order or \$10.00 for a bank cheque when it is not warranted.
13. One aspect that has not been touched upon in the Consultation Paper is service providers who give discounts to people who pay them cash. There is no protection to the consumer who may find the work is not of a reasonable standard and has no recourse to pursue the trades people. If I pay a service provider by cheque, then this serves to safe guard my protection.
14. Also of utmost importance, is that those service providers who accept cash payments, do not pay the Government GST, nor do they declare the income for taxation purposes. This has been common practice for many years. However, I have no idea how it can be combated other than the public being educated as to why it should not be done.
15. On Page 10 of the Consultation Paper, it is stated, "...For example in June 2023, Commonwealth Bank of Australia announced that it would no longer make cheque facilities available for new accounts, etc. Further, "CBA" (Commonwealth Bank) and Bendigo Bank have also announced that they will stop automatically issuing replacement cheque books for existing retail accounts with a cheque facility."
16. I asked a friend with computer facility to check the Commonwealth Bank web site for me and I was told it stated words to the effect of "For a cheque book not issued before 3 June 2023, cheque access will not be available." This serves to confirm what another friend told me that the CBA refused to issue another cheque book for her retail account when the cheque book ran out over 4-5 months ago.

17. Finally, to the best of my recollection, I understand it is a common law principle that legislation should not infringe fundamental rights on freedoms. I believe it is my right to protect my property and in this case, also my right to use cheques and cash to sustain my living. In the event that Treasury passes a legislation to decline my right to live in the manner to which I have been accustomed, then I would think any legislation should express a clear intention to do so.

Summary

I find it incredulous that the Commonwealth Bank withdrew cheque services to their customers some 6 months prior to the issue of the Consultation Paper.

I have spoken to my Bank and they have told me it is their intention to continue with the issue of cheque books. As a matter of interest, I have a 25 leaf cheque book which normally lasts for around 4 months. I am automatically issued with a new replacement book when I have about 5 cheques unused. In the last couple of days I have received my new replacement book.

I would ask Treasury to consider the location of regional Australians, the kilometres that need to be travelled to reach a bank and limited access to computer transmissions.

In respect to cheques that "bounce", perhaps the Banks could be given authorisation to cancel a cheque account where this has occurred, say more than 2-3 times (unless it is established that the reason was with just cause).

As Mary Donaldson (now the Queen of Denmark) said in her Christmas Message on 22.12.2023 when she spoke of loneliness, "We need each other if we want to succeed. This does not only apply to working life and to those of us who work to combat social isolation. It applies to all of us. People need people".

Personally, I also wish the best for everyone.

Thank you for considering my submission even though it is probably a bit unorthodox.

