



To: Australian Banking Association

**Re: Consultation Paper - Use of credit cards
for gambling transactions**

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By email: submissions@ausbanking.org.au

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About the language in this submission

The language we use in this submission refers to “people affected by gambling”, “people experiencing gambling-related harm” and “gambling issues”. We do not refer to people as “problem gamblers”. We have chosen this language as we know that clients affected by gambling often feel embarrassed and ashamed. They are people first and foremost, and labelling them as “gamblers” is one-dimensional and de-personalising. The descriptions we have chosen imply less judgment.

About the case studies in this submission

The case studies in this submission have been de-identified and all names changed.

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1 Introduction

1.1 About this submission

This submission is in response to the Australian Banking Association's (ABA) Consultation Paper: Use of credit cards for gambling transactions (Consultation Paper).

This is a joint submission from Financial Counselling Australia, Consumer Action Law Centre and Financial Rights Legal Centre. There is more information about each of our organisations in Appendix 1.

1.2 Context

Australians are far and away the world's biggest gamblers per capita, losing \$24 billion a year¹. The most recent snapshot of gambling in Australia shows that when averaged out across the adult population, Australians bet almost \$11,000 per person. The losses, however, are overwhelmingly incurred by a small number of people who have problems with gambling.

We are extremely concerned about the impact of providing credit for gambling. While a person affected by gambling may lose all of their money, the harm is compounded considerably when they now owe debt(s).

There is a community expectation that banks and other financial institutions will protect their customers from financial harm. A prohibition on using a credit card for gambling would be an effective and practical way to limit harm.

2 Summary of this submission

We strongly support a prohibition on the use of credit cards, including via e-wallets, for gambling.

The use of credit for gambling can substantially increase the harm from gambling caused to people.

We commend the Australian Banking Association on undertaking this consultation for the banking industry to investigate and consider how to minimise gambling-related harm.

¹ <https://www.abc.net.au/news/2018-10-20/australia-grows-destructive-love-affair-with-sports-gambling/10396984>

3 Gambling and vulnerability

Chapter 14 of the Banking Code of Practice requires banks to take extra care with customers who may be vulnerable. People who are affected by gambling, including those with gambling addictions, who are on the pathway to developing an addiction, or in recovery for gambling addiction fit this category and can be highly vulnerable.

There are also people who have their gambling spend reasonably under control until a trigger event, or a series of events, occurs, which changes their trajectory for the worse. Two examples are:

- a woman who overcame a gambling addiction in her 20s, but in a short time lost her father to suicide and then her sister died. She turned to online casino games. She lost more than \$800,000 on games where she had no opportunity of winning (social casino games) (there is more information about this case study later in the submission)
- Jake was a young man who loved sport. At around 18 years of age, he dived into a swimming pool at a party and became a quadriplegic. His life and dreams were shattered. He received a large compensation payment. The payment accelerated his gambling addiction and in just three weeks he lost hundreds of thousands of dollars gambling online. (His bank noticed and helped him get financial counselling and support. He hasn't stopped gambling, but has a harm minimisation plan in place.)

Others have what they consider to be compelling reasons to gamble:

- Michael was worried that he was going to lose access to his children as a result of his divorce. His ex-wife had petitioned for full custody. He felt that his only hope to earn money for a lawyer was to gamble. He lost, and his house was put at risk because of gambling-related losses.
- Peter worked for one of the large financial institutions in Australia. He was left with a disability after a car accident and received a net payout of about \$500,000. He felt he needed another \$100,000 to be able to move to the Gold Coast, buy a unit and have a buffer until he found a job suited to his disability. He lost everything via online gambling trying to "earn" those extra funds. He was found dead a few months later.

This demonstrates how vulnerability may occur just because the person's circumstances have changed. Vulnerability occurs across all income groups and education levels. Online gambling, however, particularly affects men aged 30-50, and the main demographic is male, Australian born, educated, in a relationship and employed².

This consultation paper is another step from the ABA and the banking industry in acknowledging the specific and practical steps that need to be implemented to protect customers who may become vulnerable. People affected by gambling-related harm are those vulnerable customers.

Mary's story

Mary is a pensioner in her 80s. She is solely responsible for the household bills as her husband refuses to contribute to them. His pension is being paid into a bank account that Mary cannot access.

Mary needed \$1,000 for dental work. A bank issued Mary with a credit card with a \$5,000 limit, \$4,000 more than Mary requested. Lonely, Mary went to social events at the local sports club. She ended up gambling a significant part of the \$4,000.

Mary said she would turn to the pokie machines when she felt anger and played amounts of \$50 - \$200, justifying to herself that "you never know I might just be lucky". Mary struggled to pay the credit card debt and was referred to a financial counsellor. She thinks she was self-harming by gambling.

Mary's debt is now being collected by a debt collector. The bank refused a waiver or part waiver. Mary remains on a \$110 per month payment arrangement.

4 Gambling as a purpose for credit

Gambling is not an acceptable purpose for other types of bank lending. Theoretically, a person requesting a loan for the purpose of gambling would not

² See pg 82 and page 90 of the June 2019 [National Consumer Protection Framework for Online Wagering: Baseline Study Report](#), Australian Gambling Research Centre, Australian Institute of Family Studies. It states, that findings from the earlier DSS *Interactive Gambling* study suggest that people who gamble via the internet in Australia are more likely to be male, younger, have higher educations, higher incomes, participate in a greater range of gambling activities, and have higher rates of gambling problems, compared to non-interactive gamblers (Gainsbury, 2012; Hing, Gainsbury et al., 2014).

be given that loan. It is incongruous, therefore, that there is a loophole that allows credit cards to be used for gambling.

Lending for gambling represents a poor risk for *both* the bank and the customer because:

- The customer is most likely to lose the money;
- The customer may have an addiction or problems with managing their gambling;
- The customer may already be in financial difficulty and is trying to hide it (hoping to win to fix the problem); and
- Default rates will inevitably be higher for those customers who gamble with credit (and even greater for those gambling with a combination of credit and their own funds.)

5 Financial wellbeing

The banking industry has a strong commitment to financial wellbeing. Consistent with that commitment is making sure the harm caused by credit cards is minimised.

The first result from an internet search on “things you shouldn’t use your credit card for”³ is from Finder.com, a comparison website. The advice is not to use a credit card for:

- ATM withdrawals/cash advances – because of the higher interest rate charged, the no interest-free period and the cash advance fee; and
- Gambling – using your credit card to gamble is doubly unwise because not only are you losing money gambling, you are paying more interest on all those losses because the gambling transaction is considered a cash advance.

Prohibiting the use of credit cards for gambling sends a clear signal to people about what credit should not be used for (bad debt).

Prohibiting credit-financed gambling is also consistent with financial wellbeing. Simply put, if the customer has lost money and then has expensive debt as a result, they will be worse off. Subsequent bad debt affects among other things credit ratings, mental health and relationships.

³ <https://www.finder.com.au/10-things-you-shouldnt-use-your-credit-card-for>.

6 Restriction of credit cards for gambling

As set out in the consultation paper, various Australian Governments have introduced several restrictions on the use of credit cards for land-based gambling. These restrictions have clear community support. There are no proposals, nor any push from the community, to reverse the existing prohibitions.

There is a community recognition that people need practical protections from a gambling addiction.

Jenny and Jan

Jenny and Jan are in a similar position:

- They are repaying debt on credit cards and/or personal loans because of a gambling addiction.
- They can't afford to make the minimum payments to cover the high interest charges.
- Their families are suffering as a result, including going without essential items.
- The easy access to cash advances from the credit cards made gambling easy for both of them.
- Their credit limits jumped quickly.

Jenny

Jenny works full time in a job involving shift work, and earns \$900 a week. She cares for her two children. Jenny was homeless when she sought help from a financial counsellor in 2016. Jenny had a gambling problem and ended up with a \$7,500 bank credit card debt. Jenny's total debt has risen to \$30,000 despite making regularly monthly payments for three years. She has now taken out payday loans to try to stay afloat. Her children are disadvantaged because of the lack of money in the household for anything other than the bare necessities of survival. Her 18-year-old son is now at university and gives most of his part-time job money to his mother. The whole family feels the stress, all because of the payments required on a credit card that was used for gambling.

Jan

Jan, a single mother, works full time and earns \$1,600 a week, which includes child support. She has gambling issues. She has five credit cards and two personal loans accrued over the past 12 years. Her unsecured debt is \$78,000.

She has continued to make the minimum payments on all her debts, some with hardship reduced payments. The balance overall has not changed, but she does not want to lose her ability to have these accounts as a back-up, and bankruptcy is not an option due to her employment.

7 Consultation Question 1: What are the risks and concerns associated with gambling with credit cards?

7.1 Credit cards are ubiquitous

In the past, credit cards were relatively easy to obtain. After obtaining a credit card, getting a limit increase can also be relatively easy. Following legislative changes and the Financial Services Royal Commission, there has been a recent improvement in responsible lending for credit cards. This is pleasing but many people already have credit cards.

When a person is affected by an addiction or control problems with gambling, a credit card is a concerning easy way to obtain and use credit. It is very tempting to use the credit card when the person is vulnerable and desperate to gamble.

It is also common in our experience for people with gambling issues to have multiple credit cards.

People with gambling addictions tell us that they actively seek credit from wherever they can get it. One man who contacted a financial counsellor had 15 credit cards, all used for gambling. It is the nature of the addiction that when the gambling urge is triggered, the person is driven to do anything necessary to keep on gambling. Disordered or delusional thinking is often part of the addiction.

Ryan's story

Ryan, a 25-year-old tradesman, had a serious gambling addiction. From 2015-2017 he obtained 43 payday loans and three credit cards from 10 lenders to fund his gambling addiction. Ryan's salary was paid into his transaction account, which was held at the same bank that provided the credit cards. He had defaulted on his credit card repayments numerous times and had defaulted on his car loan.

Struggling, Ryan sought his mother's help. With his consent, his mother explicitly informed the bank branch manager of his gambling addiction. She asked for cash advances to be stopped, but was told the bank couldn't do this. So, she helped Ryan cancel the credit card.

She was shocked when Ryan received two new credit cards within two months of closing the first credit card. She returned to the branch and requested that the bank note Ryan's gambling addiction on his account and not provide more credit cards.

Post disclosure of gambling addiction

Just one month after receiving his second credit card, Ryan had spent more than the \$6,000 limit. At the date of Ryan's application for his second credit card, his credit report showed 30 consumer credit enquiries, including three other credit card applications and 23 payday loan applications in the preceding 27 months (that is nearly one credit application a month!).

After reaching the limit on the second credit card, Ryan then applied for, and was granted, a third credit card, which had a limit of \$15,000. Ryan spent that \$15,000 within two weeks.

By this time Ryan's credit report showed an additional four enquiries from payday loan providers and another two enquiries from alternative credit card providers.

Ryan eventually sought addiction counselling and gave his mother an enduring power of attorney.

After negotiations, the bank acknowledged the extensive gambling transactions on the credit card facilities, closed both credit cards, and agreed to:

- no further provision of credit
- waive 50% of the debt on credit card 2
- Waive nearly 60% of the debt on credit card 3

A repayment schedule was agreed to repay the balance interest free within 72 months.

7.2 Credit card debt can take a long time to repay and is costly

Minimum monthly payments on credit cards can mean that a debt can be very costly and take many years to repay. A debt-fuelled gambling binge therefore can result in years of financial detriment. For example, spending \$10,000 in a night of gambling could take 43 years and 11 months to repay and cost \$36,332⁴ if only making the minimum monthly repayments.

⁴ Using the Moneysmart credit card calculator and assuming an interest rate of 18% p.a. The calculator is available at <https://moneysmart.gov.au/credit-cards/credit-card-calculator>.

We have previously advocated for reform to increase minimum repayments on credit cards.⁵

People affected with gambling problems often make sure they make the minimum repayments on a credit card to ensure they maintain access to the credit card.

To an addicted person, there is an imperative to keep their means of gambling open at all costs.

A credit card is a line of credit and it is available to use when needed. The reliance on credit cards for gambling can mean that the credit card is paid before basic living expenses. In effect, the person prioritises access to gambling over basic living for themselves and their family. This can cause long-term detriment for both the person and their family.

Jane's story: credit card cash advances used to hide gambling and failed attempts to stop the harm

Jane is in her 40s and receives the disability support pension. Her husband doesn't know about her gambling addiction. Jane frequently runs out of money because of gambling, and borrows money for food.

Jane had a bank credit card with a \$2,000 limit. A friend tried to help Jane manage her debts and paid it off, and the card was cut up. But because the account was never cancelled, Jane still had access to it through phone banking, and she soon ran up the \$2,000 debt again.

Jane would get a cash advance through her phone and then put it into a separate account. She would gamble and repeat the process until she reached the card limit. Jane would try to reduce her balance, but then she would start withdrawing again.

Following advocacy by a financial counsellor, the bank stopped all fees and charges and Jane is now on a payment plan of \$50 per fortnight.

7.3 Online sports betting

Online sports betting is growing exponentially. Credit cards are commonly used to place bets, and a person can typically attach multiple cards to an account.

⁵ For example, see Consumer Action Law Centre submission in response to the exposure draft Treasury Laws Amendment (2017 Measures No.8) Bill 2017 dated 23 August 2017 available at <https://consumeraction.org.au/wp-content/uploads/2017/08/170823-FINAL-submission-Exposure-Draft-Bill.pdf>.

This means that in the heat of the moment, there is no friction and money can be transferred instantaneously, literally with a single click.

We hear from younger male clients that initially, the context for sports betting is social. They might be at the pub or someone's house watching a game, drinking alcohol and placing bets. However, when an addiction develops, gambling can take place at all times of the day and night, and become a solitary pursuit. Many men have told us that they go online at night, while drinking. Social isolation and poor mental health are apparent. While online, they see advertising through Google, Facebook and other social media. The heavier 'losing gamblers' are also targeted by VIP case managers offering incentives to keep gambling.

James and Michael's story: they always believed they would win

For James and Michael, brothers in their late 20s, gambling on Saturday afternoons was just part of their socialising. Whether they physically went to the races or spent the afternoon sitting in their lounge room, gambling was just part of their lives. They always believed they would win.

They both worked hard running their own businesses and earned reasonable incomes.

On Saturdays, they would gamble about \$500 each, but on special occasions and big sporting events, this went up to \$2,000 each. The gambling went on for three years or so. They had the mistaken idea that their ad-hoc winnings would cover their credit card bets but, in reality, they fell further into debt.

James eventually owed \$165,000, which included a personal loan of \$26,000, two bank credit cards of \$28,000 and \$18,000, two other bank credit cards of \$32,000 and \$26,000 and another credit card of \$18,000.

Michael was \$116,000 in debt, including five bank credit cards of \$30,000, \$32,000, \$25,000, \$12,000 and \$10,000.

Then one of the businesses started failing and James' partner became pregnant. Both brothers started feeling huge financial pressure and sought financial counselling not about the gambling – but because they could not afford their debts.

John's story: \$49,000 of online gambling debt on an income of \$60,000

John, in his late 20s, works full time and earns about \$60,000.

John suffers from depression. He sees gambling as a release: a temporary way out from his depression. Although he is seeing a psychologist, he doesn't believe that he can stop gambling. All John's gambling is conducted through online apps

on his phone in his bedroom. He enjoys watching sport and notes the constant barrage of gambling advertising.

His gambling debt is \$49,000 and he is not servicing any of it. He has two bank credit card debts of \$16,700; and \$8,000; payday loans of \$500 and \$1,200; a phone debt of \$6,000, and a \$16,833 line of credit with a member-owned cooperative.

In 2013, the line of credit had a limit of \$8,000. In 2017, the limit was raised to \$15,000 even though John's credit file before the increase had shown a number of inquiries for credit, including from payday lenders.

John received a statement of claim in relation to the \$16,833 line of credit and was referred to financial counsellor.

He is still gambling and has now been referred to a therapeutic gambling counsellor to tackle the underlying cause of his gambling.

7.4 Cash advances are problematic

According to Finder.com⁶, the banks that do not prohibit gambling transactions all charge a cash advance rate for gambling transactions. According to the website, the cash advance fee is charged because gambling transactions are "cash equivalents" (where you spend money to get money).

Using a cash advance on a credit card is very expensive. The cash advance categorisation also means that no interest-free period applies. A cash advance can be an expensive trap for people who are desperate, unprepared, unaware or addicted.

For people affected by gambling-related harm, the cash advance costs are a debt trap. Their addiction means they have to pay more to access money. This means they are far more likely to have a higher debt.

It is worth asking why people use cash advances for gambling when it makes so little sense, given the cost?

People who gamble using cash advances tell us that they use the facility to get cash for the pokies or to use at casinos, or to deposit via the 'cash in' post office facility directly on to an online gambling card. Others move money from the credit card to another account, hiding their gambling trail, typically from partners⁷. Some people go to great lengths to hide their gambling trail from

⁶ <https://www.finder.com.au/gambling-transactions-using-your-credit-card-are-they-allowed>.

⁷ Economic abuse can be the flip side of harmful gambling. Very often the partners are kept away from the bank statements, and are unaware of the debts. Sometimes they know something is wrong, but cannot find out the truth.

lenders, including payday lenders, who look at the past three months of statements.

Some banks have analysed their data and observed that cash advances on credit cards appear often to be a gambling spend. Macquarie Bank has a gambling credit card block, plus a deliberate limit on cash advances per day, albeit set at a fairly high amount. NAB has included cash advances in its gambling block.

7.5 Affected others

Gambling does not just affect the person who has an addiction or problem; it affects many people around them. The harm can be particularly awful for a spouse. A spouse may face the loss of the family home for an addiction they were not even aware their spouse had. Even when they are aware, there is very little they can do to protect joint assets.

Gambling impacts

- One Christmas Eve, Lily's husband of more than 50 years told her he had \$500,000 of gambling debts and that he would have to sell their house. He went bankrupt. She lost her marriage and her house at the age of almost 80. She had no idea he had started gambling again. (He had told her a similar story a decade before, and they had downsized to pay his gambling debts.)
- Barry's parents gave up their jobs to be on suicide watch and support their son Barry, who lost more than \$150,000 in four weeks on sports betting. Their support paid off, and he recovered mentally, but it took many years for Barry and the family to recover financially.
- Jack lost his \$180,000 redundancy payment gambling online. He also had credit card and payday loan debts from trying to pay the household expenses while working out how he could tell his wife what he had done. He was the sole income earner and had always managed their money. He had worked for the same blue chip company in a professional role for 20 years. When he told his wife, she left him. He is now on Newstart, living in insecure shared housing. His daughter recently had a baby, and she cried when he gave her a secondhand baby car seat as his gift. He was devastated and ashamed. He also gambled with the money set aside for one child's wedding. He said that he had considered suicide, but decided not to complete the act when his counsellor said that his son would be at similar risk ... it was a close family but they are forever damaged.

Affected others – Graham is sick with worry about losing the family home

Graham, 46, sought help from a financial counsellor when he discovered his wife Cheryl's gambling addiction, which has left the couple in debt of at least \$132,000. An alarm bell rang for Graham when a payment bounced from the couple's joint account because of insufficient funds. He found out it was for a payday loan. It was while Cheryl was in hospital recently being treated for serious mental health issues that she told Graham about the gambling and some of the debts.

Graham is devastated at what has transpired and is now sick with worry about losing the family home. What he is finding even more stressful is that he is not confident that he knows about all the debts.

He is also finding it hard to fathom how Cheryl managed to obtain so much credit when she only earned \$692 per week. Graham has only contract employment, with a base salary of just under \$1,000 per week.

Cheryl manages the finances. Cheryl applied for a number of credit cards and personal loans in Graham's name and her name. She would get Graham to sign documents while he was still in bed after working night shift.

The debts in Graham's name include a loan of \$34,000 with one bank, and three credit cards with three other banks totalling close to \$30,000. Cheryl has another bank credit card in her name with a debt of \$27,500 and loans with a bank and two finance companies. Graham knew nothing about these loans.

The couple own a home worth about \$400,000, with a mortgage of \$250,000.

8 Consultation Question 2: Should the use of gambling for credit cards be restricted or prohibited?

The use of credit cards for gambling must be prohibited.

As acknowledged in the consultation paper, some banks already ban the use of gambling for credit cards. Other banks provide the option to block gambling transactions through online banking, although most require a personal conversation, which is a practical barrier to seeking help.⁸ Although a block is useful, it can easily be reversed. We know that people with gambling addictions find it very difficult to stop gambling.

A prohibition will be far more effective than providing blocks in reducing harm.

A prohibition is required because:

⁸ National Australia Bank has provided its customers the option to block gambling transactions. https://news.nab.com.au/news_room_posts/nab-offers-gambling-restriction-option-in-app/

- Gambling on credit often means gambling with money the person does not have;
- The financial harm of the losses from gambling is far greater when borrowing money. The money must be repaid with interest and fees. For credit cards, the debt may take decades to repay;
- Gambling is not a permitted purpose for a loan from a bank. It should not be a permitted purpose for a credit card. This is effectively a loophole;
- It sends a clear signal that banks want to meet community expectations and protect their customers from financial harm;
- It will restrict some people chasing losses and incurring more harm;
- A block or restriction can be unblocked and unrestricted when a person is desperate to gamble;
- There is a high correlation between gambling and ongoing financial difficulty (as observed by financial counsellors and community lawyers). Further credit does not resolve financial difficulty;
- Credit cards are an expensive form of credit;
- Overall, gambling equals losses. The vast majority of people lose any money borrowed. There is no benefit and the person is then left with a debt, ongoing fees and interest and in a worse financial position;
- It would prevent innocent family members from having their cards used fraudulently, or as a tool for perpetrating economic abuse.

A prohibition would mean that the banks have clearly stated that gambling on credit is not a permitted purpose. This is consistent with responsible lending and sound risk management practices.

Finally, and most importantly, people with a gambling addiction need safeguards. The banking industry must be an active participant in putting in place those safeguards.

9 Consultation Question 3: If so, should the restriction or prohibition apply to all forms of gambling?

The prohibition must apply to all forms of gambling.

The reasoning is straightforward:

- The banks do not lend for some forms of gambling and not others;
- Exempting some forms of gambling will create loopholes and market distortions; and
- All gambling is by definition risky and likely to cause losses.

The prohibition should be comprehensive to ensure it is effective. We do not support the exemption in the UK for “lotteries for good causes” as there are people who can spend large sums on systems entries.

The banking industry should also include merchant codes for social casino gaming and other forms of online gaming in the restricted uses, as these too can be highly addictive.

Ruth: lost more than \$800,000 on a game (that doesn't allow monetary withdrawals)

Ruth is in her 40s, married with a family, living a modest life and working in a small business. She overcame a casino addiction in her 20s; it had taken her many years to recover financially. Then her father died by suicide and other life events affected her mental health. She started playing an online game that was initially free. She became addicted and after she used the free coins, she would buy more to extend play. The game was offered via Facebook's platform.

It looked like a slot machine game, but because it was a 'social casino', the coins were only virtual. Money could never be withdrawn. She could never win, ever.

At one point she tried to stop and asked Facebook to ban her five credit cards from being accepted. Facebook refused.

Ruth's credit card and bank statements have many hundreds (if not thousands) of Facebook transactions, generally for amounts between \$120 and \$250.

The outcome is tragic and her story has many losers. The banks that financed the credit cards will, in reality, have no likelihood of recovering their funds. Her family is destroyed. She says she has considered suicide.

The only winner is the social casino game company and Facebook.

10 Consultation Question 4: What are the potential consequences of prohibiting or restricting the use of credit cards for gambling?

10.1 Prohibition

There are many positive consequences from prohibiting the use of credit cards for gambling.

For some people, it will mean that when they run out of cash, they will stop gambling even when on a binge. They will not be able to get such easy credit – they may still go home broke, but at least not in debt.

For other people, it will be harder to gamble when they have to spend their last few dollars. More people (over time) may be able to escape the trap of

continuing to gamble hoping they will win and pay off mounting debt. Other people will avoid the guilt, stress and worry of running up debt that may put their home and other assets in danger of repossession.

And hopefully, the seemingly endless line of people with gambling debts that financial counsellors and community lawyers see everyday will lessen over time.

10.2 Restriction

We are concerned that any type of restriction will be ineffective. As outlined above a prohibition is necessary to ensure the best safeguards for people who may be affected by gambling addiction. The Consultation Paper does not propose different types of restrictions.

Restrictions that are likely to be ineffective:

- Limits on cash advances are unlikely to be effective as people have multiple credit cards, and the limit starts afresh each day
- Voluntary blocks that can be set and then removed
- Delays in accessing cash advances

The issue with a gambling addiction is that the person is often desperate for money to gamble. Restrictions slow people down, they do not stop people gambling with credit.

10.3 Substitution of other forms of credit to get around a prohibition.

Personal loans

Personal loans are a substitute for credit card financed gambling. If the banks simply allow their personal loans to be offered or used by people who have gambling issues, the harm will simply be shifted. We have seen evidence that people with easily observable gambling issues are being offered personal loans. This means that responsible lending laws are not being followed.

e-wallets are used to hide gambling.

In the UK, e-wallets are included in the credit card gambling prohibition. The same needs to happen in Australia.

There are a number of troubling issues with gambling via PayPal. It allows the use of fraudulently obtained credit cards to go undetected initially, until the person whose card has been used discovers the fraud. PayPal is a way of hiding gambling. Further, people often end up with debts to PayPal when the bank

declines to fund the gambling transaction, as this mechanism can have a 24 to 48-hour time lag.

With open banking and the plethora of emerging fintechs with e-wallets, if e-wallets are not included in any prohibition, this will be a significant loophole.

10.4 Dispute resolution

A prohibition on the use of credit cards for gambling would assist in dispute resolution because:

- It would remove any doubt that the use of a credit card for gambling is not a permissible use⁹; and
- Disputes about gambling related financial hardship would diminish.

11 Consultation Question 5: Should there be a transition period if banks choose to implement changes relating to credit cards?

We would prefer no transition period at all. As a number of banks have already implemented this change, it should be possible to do it almost immediately. However, if a transition period is required, it should be as short as possible. In the UK, the transition period is approximately three months and comes into effect on 14 April 2020.¹⁰

12 Other recommendations

Although these issues are outside the direct scope of this consultation paper, we have also included a number of further recommendations that we request the banking industry consider implementing.

We have raised most of these issues over the past few years. It would be preferable if there were a comprehensive package of reforms.

⁹ Financial Ombudsman Case 470792 - it was decided that a bank had no obligation to prevent the customer from using the credit card for gambling purposes. Decision at <https://service02.afca.org.au/CaseFiles/FOSSIC/470792.pdf>.

¹⁰ See UK Gambling Commission, Gambling on credit cards to be banned from April 2020. See <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2020/Gambling-on-credit-cards-to-be-banned-from-April-2020.aspx>

12.1 Debit cards: paradoxically, gambling with one's own money is often the most harmful

FCA provided a separate submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry focused solely on banks and gambling¹¹. We noted in Section 5.1 that gambling with a person's own money can often be the most harmful.

At present, there is no limit as to how much money someone can transfer to a wagering operator. When we have explained this situation to external parties – such as bank executives in multiple banks, ombudsmen, public servants, and community members – the reaction is generally disbelief. It is contrary to community expectations that a person can transfer \$165,000 late at night to Sportsbet, Ladbrokes or any other operator, without any checks.

To re-iterate from the FCA October 2018 submission:

At first glance, it would seem that gambling with your own money is innocuous—surely a person has a right to spend their money as they wish. However, through our work we have observed that spending all of your savings, or most of a regular wage on gambling, can be extremely harmful. In fact, using your own money can sometimes be more harmful than gambling that is facilitated using a credit card, where there is at least a maximum limit on the loss, for example, \$5,000 or \$20,000.

The risk of gambling-related harm is magnified if a person with gambling issues receives a lump sum payment of some kind, such as from a superannuation, redundancy, or insurance payout, a compensation scheme payment or an inheritance. A person with gambling issues can immediately use these funds to gamble.

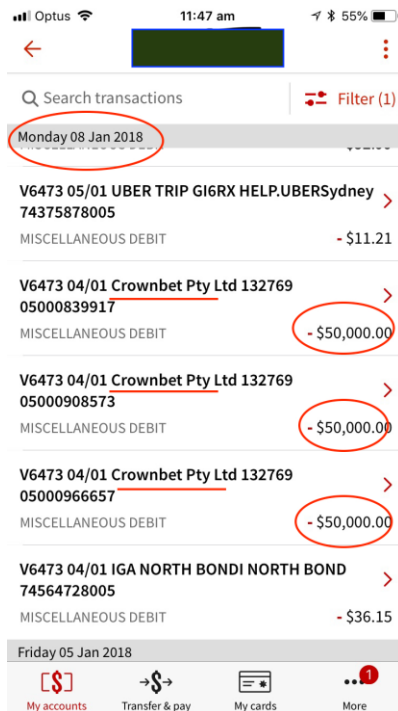
The problem is exacerbated by the inconsistent operation of bank money transfer systems. There are few restrictions on how much money a person can transfer to an online gambling company. This means that a person can transfer all or some of a lump sum payment to a sports betting company either immediately, or over subsequent days.

In contrast, banks have restrictions on how much money a person can spend or transfer in other circumstances. For example, if you try to transfer say \$100,000 using the 'pay anyone' function from a bank account, the system prevents this, restricting a person to their daily limit. For example, with NAB, a \$100,000 transfer would require a visit to a bank branch. You simply cannot

¹¹ <https://www.financialcounselingaustralia.org.au/docs/submission-to-the-royal-commission-into-misconduct-in-the-banking-superannuation-and-financial-services-industry-issues-relating-to-gambling/>

transfer this amount using online banking in one day. The limit for a purchase with a debit card in a shop is also capped, for example, at \$1,000.

Transferring funds to online sports betting companies appears to be the only form of money transfer that has no safeguards or restrictions.



Peter's banking app shows three consecutive \$50,000 frictionless transfers on Monday 8 Jan 2018. The first was at 10.31 pm, then half an hour later at 10.53 pm and then at 11.33 pm.

FCA has a copy of Peter's Crownbet statement where \$355,000 was transferred in a few weeks to an online sports betting operator. This man (described above at page 2 also), was found dead, by his mother, a few months later.¹²

¹² Peter was interviewed by Nick Toscano in 'Three months, half a million bucks': Paying the price for a punt, Sydney Morning Herald (27 Oct. 2018)



13/02/2018 9:50:39 PM	Deposit - Credit Card		\$100.00
13/02/2018 9:47:16 PM	Deposit - Credit Card		\$190.01
13/02/2018 9:07:40 PM	Deposit - Credit Card		\$599.48
13/02/2018 8:46:29 PM	Deposit - Credit Card		\$100.00
10/02/2018 12:31:18 AM	Deposit - Credit Card		\$10000.00
9/02/2018 9:42:23 PM	Deposit - Credit Card		\$5000.00
9/02/2018 7:33:37 PM	Deposit - Credit Card		\$5000.00
8/02/2018 12:58:58 AM	Deposit - Credit Card		\$5000.00
6/02/2018 12:56:06 AM	Deposit - Credit Card		\$2000.00
11/01/2018 8:15:43 PM	Deposit - Credit Card		\$10000.00
11/01/2018 3:50:04 PM	Deposit - Credit Card	<i>Over 24 hours on 10th/11th Jan he deposited another \$120,000.</i>	\$10000.00
11/01/2018 2:13:49 PM	Deposit - Credit Card		\$5000.00
11/01/2018 3:15:27 AM	Deposit - Credit Card		\$45000.00
11/01/2018 3:00:40 AM	Deposit - Credit Card		\$20000.00
11/01/2018 2:25:01 AM	Deposit - Credit Card		\$20000.00
10/01/2018 8:52:18 PM	Deposit - Credit Card		\$5000.00
10/01/2018 7:03:32 PM	Deposit - Credit Card		\$5000.00
4/01/2018 11:33:38 PM	Deposit - Credit Card		\$50000.00
4/01/2018 10:53:32 PM	Deposit - Credit Card	<i>On 4 January 2018, he transferred \$206,685 from his bank to Crownbet using his bank card.</i>	\$50000.00
4/01/2018 10:31:21 PM	Deposit - Credit Card		\$50000.00
4/01/2018 8:17:09 PM	Deposit - Credit Card		\$20000.00
4/01/2018 6:20:58 PM	Deposit - Credit Card		\$20000.00
4/01/2018 5:47:27 PM	Deposit - Credit Card		\$1685.00
4/01/2018 4:57:29 PM	Deposit - Credit Card		\$10000.00
4/01/2018 3:01:23 PM	Deposit - Credit Card		\$5000.00
Total Non-Betting	The total deposits in his first week of gambling with Crownbet		\$355014.49
Closing Balance	\$120,000 + \$206,685 = \$326,685		\$0.46

How to Deposit funds into your account

Credit Card

Use your Visa or Mastercard Credit or Debit Card online (website or apps) or call 13 CROWNBET (2769) to make a

Figure 1: 5 weeks. Peter deposited \$355,000. This cost him his life.

What we are asking banks to do

- Do not allow large transfers of lump sums (or multiple cumulative amounts) without a safety check process.
- Do not allow large gambling transfers during the danger zone, i.e. late at night.
- Add friction, such as SMS messages, as banks do for suspected fraud.
- The most someone should be able to transfer without going into a branch or speaking to an operator is their daily limit.

12.2 Personal loans

People affected by a gambling addiction do not use just credit cards, they also apply for personal loans. They may lie about the purpose of the loan or often apply for the loan deceiving themselves about the purpose. Some receive unsolicited offers to apply for personal loan. Gambling is often clearly evident at the time of application, particularly when the customer also has their daily transaction account with the same bank. Having the new lump sum waiting in an account can trigger an intense gambling binge, which in turn results in the online gambling operators providing higher levels of bonus bets and VIP case management. The addiction and harm spirals.

Sarah's story

Sarah, who is 50, has had a gambling addiction for about 10 years and has been receiving some support. Her whole support network - her mother, her sister and her daughter - also gamble. Only her son does not gamble.

Sarah had paid off her home but sold it off many years ago to pay her debts. She has experienced a family breakdown, and poor mental and physical health. She is now working full time and renting with her sister and adult daughter.

Sarah applied for a personal bank loan of \$4,150 in May 2017.

- June 2017: refinanced the loan to \$10,109.
- July 2017: refinanced the same personal loan.
- August (approx.): obtained a \$3,000 personal loan from a finance company.

Sarah's total debt stood at \$20,410 by October 2017.

One year later

- October 2018: Sarah applied to refinance her bank personal loan. Her debt then stood at \$25,058.
- March 2019: Sarah again applied to the same bank to refinance her loan but was finally knocked back.
- With another bank, Sarah was approved for a \$5,000 personal loan.

Unsolicited credit card

Although the first bank refused more credit in the form of a personal loan, it provided her with a \$5,000 credit card.

Sarah has more than \$35,000 in personal loans and credit card debts with two banks. All of the loans were to fund gambling. Responsible lending issues are

apparent but it should have been obvious to the first bank that there was a gambling problem if her transaction account statements had been reviewed. If the second bank had asked for her past three months of bank statements, or otherwise requested the data, it too would have seen that she clearly had gambling issues.

In the above case, there were red flags that the banks should have been aware of and should have prompted further investigation, including:

- Gambling spend on Sarah's transaction account statements
- That Sarah was refinancing debts on multiple occasions
- That Sarah was provided a credit card after a personal loan had been rejected.

Ron's story - Major trauma led to gambling addiction

Ron's financial counsellor estimates that Ron has gambled about \$500,000 since 2015.

After Ron witnessed the murder of his sister by her partner, no counselling was offered to any family member. He and his parents have gambled for about two decades. Ron attends gaming venues so "he can zone out and not think about the death of his sister".

In 2015 Ron suffered a serious injury at work and was ruled unfit to return to work. At the time, he had a large mortgage on his home and a small mortgage on a block of land. His total equity was \$31,000.

In 2015-16, Ron took out two personal loans totalling \$54,000 to help him get through the time he would be off work. His gambling escalated and by the end of 2016 he was gambling up to \$5,000 a day.

Ron applied to top up the personal loans with the idea of doing repairs to his home because he knew that once the income protection stopped after he two-year period, he'd be on Newstart and couldn't afford the mortgage.

In March 2017 he was offered \$41,000 to pay out the first personal loan (of \$26,000). Three weeks later, he refinanced the second personal loan (of \$28,000) and received \$48,500. Again, the money went very quickly on gambling. A few weeks later he applied for a third loan which the bank refused and referred him to Gambler's Help.

The bank initially rejected the complaints lodged by Ron's financial counsellor regarding the personal loans but it later waived them and his credit card debt.

Over the past few years Ron's health has deteriorated markedly. He was diagnosed with PTSD, anxiety and, more recently, cancer.

12.3 Responsible lending

In Financial Counselling Australia's submission to the Financial Services Royal Commission (Banks and Gambling)¹³, we made a recommendation about the importance of looking at actual expenditure in making lending decisions, including expenditure on gambling.

We urge the banks to develop strategies to review expenditure on gambling to inform responsible lending decisions on all credit products.

12.4 PayPal and E-Wallets

There are a number of issues with PayPal, the largest e-wallet.

1. PayPal's 'instant transfer' method of payment involves the funds going to the gambling operator in real time, but the amount is transferred from the person's credit card or bank account to PayPal with a clearance time of up to two days. On the bank statement, the money is taken out of the account on the day the spend occurs, but the clearance system has a lag. If there are no funds in the account, the person incurs a debt to PayPal. One man had a debt of more than \$50,000 to PayPal, all from gambling transactions. PayPal declined many of the transactions but he had the perseverance of someone with a severe addiction, and many transactions went through. PayPal pursued the debt vigorously.

This default provision of credit needs to be stopped. It appears to fall between the regulatory cracks, as there is no interest charge on the transactions (although interest is charged on the subsequent debt).

The bank clearance needs to be changed to real time, so unfunded transactions are declined.

2. E-Wallets allow the identity of the account holder financing the gambling to be hidden.

We see the credit cards of third parties being used fraudulently. Sometimes this involves elder abuse or family violence, for example a man using his wife's card repeatedly, leaving her to pick up the debt (or visa versa). Other times, it is used for fraud.

¹³ Available at <https://www.financialcounsellingaustralia.org.au/fca-content/uploads/2019/10/FCA-Submission-re-Gambling-to-Royal-Commission.pdf>.

Jake's gambling fraud on corporate credit cards

Jake was a young professional in his early 20s working for a major financial institution. He had gambled online from the age of 18. His addiction worsened, and he committed fraud to fund his gambling spree. He spent more than \$250,000 using his colleagues' corporate credit cards on a single wagering operator in less than two months. The corporate credit card-funded transactions were obscured from the wagering operator as they came via PayPal.

Jake received a prison sentence. As far as we know, the bank did not recover the funds from the online wagering operator. These crime-funded, suspicious transfers may also raise Austrac issues.

From prison, he told FCA: "I was glad that I was caught. I didn't know how to stop gambling." Such is the nature of an addiction.

3. There has been an explosion of e-wallets in Australia and abroad with the advent of open banking and the emerging Fintech scene. E-wallets can have a number of funding sources added to the facility, including credit cards.

E-wallets need to be included in an effective ban, otherwise gambling will still be funded via credit cards, attached to e-wallets. In the UK, gambling operators have had licence conditions imposed by the gambling regulator to ensure that they only accept payments via e-wallets where the wallet provider can assure the operator that they can prevent payment for gambling by credit cards (see [UK Gambling Commission, Consultation response Jan. 2020 3.61](#)). This is in response to the UK Parliament leading the way on safer gambling.

We need a response suited to our regulatory framework to achieve the same end goals.

With regard to e-wallets, we would support the ABA in advocating with the Federal Government for a suitable regulatory response in the next tranche of policy reforms. The prohibition on gambling companies providing credit for gambling is regulated by the [Interactive Gambling Act 2001](#) (Cth).

Indeed, the time may be right for the ABA to approach the Government for a legislated ban on credit cards being used for gambling.

12.5 Behavioural economics and nudging

Behavioural economics can have an effect on nudging people towards better decision-making. The banks should investigate and implement reporting so that people can easily monitor their gambling across their accounts. We are already aware of banking products that track spending, which many people find useful.

If people can find out how much they spend on Uber Eats, they should be able to know how they are tracking with gambling. Many people have no idea of their gambling spend, as this information is still hidden by most gambling operators. Others with multiple gambling accounts have no way of consolidating their spend/losses.

Some useful tracking tools would be:

1. A way to track net gambling spend.
2. A report on how much of their income as disclosed on their savings account is spent on gambling.
3. The number of days per month spent gambling.
4. Information on how to seek help.

We would encourage the banks to see how they could 'use data for good' and then work out how best to have conversations with customers, or facilitate referrals for help. Although we all want to avoid 'unintended consequences', there are known consequences of doing nothing. We know that people are being harmed and will continue to be harmed if nothing changes.

12.6 Self-help tools

Financial counsellors say that many clients with gambling issues are often desperate to control their gambling, but the tools available are not good enough.

What would help for people to manage gambling their own money?

1. Customers to be able to set gambling spend limits themselves, through a self-serve app, with friction added if they wanted to increase the limit.
2. Self-exclusion blocks, along the lines of NAB's new user block, operated by customers through an app.
3. Promoting these tools through social media and other advertising/promotions.
4. Providing free or low-cost gambling blocking software for customers' devices. This would be a huge benefit as these software licences are expensive. Each device needs its own license.

12.7 Can banks be a safe place to keep money?

There is a need for a banking product designed to keep lump sum payments safe and preserved for whatever use the person mindfully wishes that money to be used for.

People receive substantial lump sum amounts from various sources such as superannuation, Total and Permanent Disability (TPD) payments or other accident compensation payments, and redundancy payments. Some 65,000 people are eligible to receive redress compensation following the Royal Commission into Institutional Responses to Child Sexual Abuse. Many of these people are vulnerable, and we hear that compensation money is disappearing on gambling within weeks of it arriving in the person's account.

When someone receives a substantial lump sum, and there is a pattern of prior gambling, financial counsellors have observed that it often triggers an increase in gambling. In many cases, all of the money is gambled.

Some of these people had insight into their gambling and sought a safe place to keep their money—safe from their addicted selves. A number tried term deposits, but were allowed to break them despite their gambling being highly visible to those banks.

When the redundancy payment, the accident compensation or the super lump sum was gambled within a few weeks, the outcomes for those people were dire.

FCA together with financial counsellors have approached a number of the banks asking for help to keep money safe for specific customers, but not one bank could offer a suitable solution.

Customers who spend a disproportionate amount of their wages gambling often have the same need to pay for the essentials, to keep a roof over their heads.

Bob and Harry—no bank safe enough

Brothers Bob and Harry are unable to stop gambling at venues. Despite self-excluding from local pokies venues, they just travelled further and found new venues. They both had mental health issues. Bob was about to be discharged from a mental health hospital and his gambling financial counsellor was urgently trying to find a bank able to safely hold their disability support pension money for 24 hours after the Centrelink payment came into their bank accounts, just so the mortgage direct debit could go through the following day.

Bob and Harry owned their house jointly and lived there, relying on each other. The mortgage was in hardship, because each Centrelink payday, despite intending that they would pay the mortgage first, they would withdraw the

money and gamble it. The lender had been very supportive for a generous amount of time, but now they had been warned that the DSP money needed to be used for mortgage payments or they were at risk of losing the house and becoming homeless.

If the money could be kept in a closed account, without cash or other customer initiated withdrawals for 24 hours, the lender's direct debit could go through, and the mortgage would be paid. However, no bank could offer this.¹⁴

Despite calls to all the major banks, not one could offer a gambler-safe account. The public trustee now manages Bob and Harry's money. They now need permission to use their money to buy a cup of coffee or movie tickets. It is the option with the least dignity, but there was no other choice to prevent them from becoming homeless.

Les, desperate to not spend his wage gambling to pay off his bankruptcy trustee

Les is an Indigenous man with a high paying FIFO mining sector job. A few years ago, he became bankrupt due to gambling. This was his second bankruptcy - same story. There were numerous credit card debts from most of the major banks, and there was also a debt to an Indigenous organisation that had lent him \$300,000 for his home purchase.

A while later, he was made redundant from his mining job. He lost his entire redundancy payment of approximately \$80,000 in seven days gambling online. The bankruptcy trustee found out about the dissipated redundancy payment and extended the bankruptcy period. He wasn't able to maintain his mortgage payments, lost the house, and moved interstate to start afresh.

Five years later

Les called FCA to ask for help accessing legal advice as his bankruptcy trustee had extended the term yet again when he had once again failed to meet his yearly payment amount.

He shared that he had needed to pay 75% of the agreed balanced owed to have the bankruptcy discharged. This was \$39,000 and he had moved interstate and found another high paying FIFO job.

"I've got plenty of money coming in, around \$200,000 a year. I don't know what is wrong with me but I can't stop gambling. I've been bankrupt for most of my

¹⁴ They were hoping to voluntarily submit to Centrelink's income management regime, but this was not an option in non-income managed areas.

adult life. I'm nearly 40 and I've got nothing to show for it. I'm so depressed and stressed. My life is ruined. I can't get rid of this bankruptcy because I can't keep my money in the bank account for the monthly payments to the trustee. It keeps getting extended."

"When I was a child, my mother and grandmother gambled all our money at the pokies, and we kids were often hungry. I hated it and promised I would never be like that. And now I've done the same. I hate myself for it."

He had tried to self-exclude from the online companies, but he kept on finding new online gambling operators. He would find them, or they would find him.

Les asked his bank if it could help, but he couldn't find a way to keep his salary safe, so he could pay the trustee.

Gary, refunded money lost from a wagering operator but no safe bank account

Gary was a former bank executive, with a family history of owning racehorses. He developed an addiction, had extenuating personal circumstances, and gambled a large sum of money. Following on from a media story, and representations from a consumer lawyer, one wagering operator accepted that it had not acted on the clear red flags of Gary's erratic and prolific gambling and offered to refund all of his money.

His financial counsellor searched for a bank able to provide a facility to keep his money safe. The wagering operator would not release the money until a secure plan was in place, as a few months early it had refunded close to \$200,000 to another man, who under stress, relapsed, and lost it *all* to their competitor.

Gary hadn't told anyone about his gambling, and he had no one to act as co-signatory on an account to prevent gambling withdrawals. He believed that if he told his parent, children or siblings that it would fracture their fragile relationships.

There was no bank product where the bank could guarantee that it wouldn't relinquish a customer's money on the customer's orders. Term deposits could be broken, too, or were only short-term.

The solution put in place was a lawyer's trust fund. It was expensive. However, when the trust was set up he had to write up orders for how the money would be paid out over the coming three months. It all had to be disbursed. When he purchased a car for substantially less money than the initial estimate, the trustee wouldn't change the amount. The gambling company's lawyer had to intervene on his behalf to help him. That is the only good story to come out of a gambling company.

If Gary's bank had been able to offer a gambler-safe product, he may have made different decisions about how best to make the money last over a longer period.

There are many customers with impulse or spend disorders who would benefit from a fit-for-purpose account, with protections to keep money safe from their particular poison, be it gambling or even online shopping.

About six years ago when the banks and FCA were looking at mental health guidelines, a mental health consumer and former attorney-general spoke to a bank collection managers roundtable and pleaded for banks to help people like him. He explained that he had bi-polar and when he went into a manic phase, he donated large amounts to his favourite conservation charities. Afterwards, he would be horrified at having donated unaffordable amounts of \$30,000 or more.

He, too, would benefit from an account designed to keep his money safe from himself, as would many others. Customers maintaining their financial wellbeing is surely a good idea.

13 Concluding remarks

This submission demonstrates the breadth of the harm from gambling funded through bank credit cards, and other bank credit products.

Turning a blind eye to the harm, and indeed deriving revenue from this expenditure, is not consistent with community expectations.

Working with people with addictions is difficult, as many are entrenched in an addiction mindset. We know that no single intervention will stop all harm, but stopping credit cards from being used for gambling will be a solid step forward.

The banks have a tremendous amount of data, and a unique opportunity to use their data for good, including through testing behavioural interventions. Some customers may voice complaints about their significant gambling being noticed, even if it is with a light touch. However, a much larger number will be deeply grateful.

As 20-something J said from his prison cell: “I was glad that I was caught. I didn’t know how to stop.”

If we can prevent some families from being ruined financially, prevent a few gambling-related suicides, or even just stop some young people from incurring gambling debt at the start of their adult lives, then we’ll be doing a good thing.

We commend the ABA and its members for undertaking this review.

Appendix 1 – About our organisations

About Financial Counselling Australia and Financial Counselling

Financial counsellors provide advice to people with money and debt issues. Working in community organisations, their services are free, confidential and independent.

Financial Counselling Australia (FCA) is the peak body for financial counsellors in Australia. FCA's members are the State and Territory financial counselling associations.

In 2015, FCA released a report titled "Duds, Mugs and the A-List: The Impact of Uncontrolled Sports Betting". The report described the issues financial counsellors were seeing as a result of predatory practices in the online sports betting industry. Later that year, the Federal Government commissioned a review into online gambling. One of the recommendations of this review was to ban gambling companies from providing credit to people to gamble. FCA has been actively involved in developing the legislative consumer protection framework applying to online gambling. Our work is informed by financial counsellors including specialist gambling financial counsellors, as well as by direct interactions with people who gamble, or their families.

Consumer Action Law Centre

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets.

CALC works for a just marketplace, where people have power and business plays fair. It makes life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, CALC's direct services assist Victorians and advocacy supports a just market place for all Australians.

Financial Rights Legal Centre

The Financial Rights Legal Centre is a community legal centre that specialises in helping consumers, especially low income and otherwise marginalised or vulnerable consumers, understand and enforce their financial rights.

It provides free and independent financial counselling, legal advice and representation, and self-help resources to individuals about a broad range of financial issues including consumer credit, debt and insurance. It also advocates for law reform and improvements to industry practices to improve outcomes for consumers.

About Consumer Credit Legal Service WA

Consumer Credit Legal Service (WA) Inc. (CCLSWA) is a not-for-profit charitable organisation which provides legal advice and representation to consumers in WA in the areas of credit, banking and finance. CCLSWA also takes an active role in community legal education, law reform and policy issues affecting consumers.

CCLSWA is active in community legal education. Through the use of the media, seminars and publications, we aim to raise general public awareness of consumer rights in the area of credit, banking and financial services.

CCLSWA provides a consumer voice in Western Australia in relation to policy issues and proposed reforms of Western Australian legislation, and nationally on issues such as reforms to the National Consumer Credit Code. Other key policy activities are directed at lobbying for changes to unfair industry practices. In such policy activities, CCLSWA aims to work with other consumer groups to present a consolidated consumer voice.