CHOICE















5 November 2026
The Australian Competition and Consumer Commission
Submitted via online portal

To the Commission

Re: Application AA1000746 - Australian Banking Association (Regional Banking Initiatives)

Thank you for the opportunity to comment on the Australian Banking Association's application. This submission is made on behalf of a broad coalition of consumer advocacy groups from across the country: Indigenous Consumer Assistance Network, Mobstrong Debt Help, Financial Rights Legal Centre, Financial Counselling Australia, Consumer Action Law Centre, Consumer Credit Law Service Western Australia, and the South Australian Financial Counsellors Association.

CHOICE does not object to the ABA's application, nor the proposals for which it is sought.

However, while these proposals are worth pursuing, there is no basis for the Federal Government or its regulators to believe that voluntary, opt-in, industry-led initiatives will reverse the damage done by a decade of industry-led branch closures.

We have proposed a number of conditions which we believe the ACCC should impose, to ensure that these industry initiatives operate in the best possible way. We have also made a number of recommendations to the Federal Government, to do their part to address the continued decline of in-person banking services around Australia.

Summary of CHOICE's Recommendations:

The ACCC should place the following conditions on their approval of this application:

- The ABA must conduct open forums in regional communities, and give local people the opportunity to outline the importance of local banking services where they live, and the consequences of the last decade's rapid decline in services.
- The ABA must also consult with Financial Counselling Australia and state-based financial counselling organisations, as well as specialist and regional community legal centres, to identify communities that are particularly underserved.
- The ABA must publicly share the data and insights that they gain through this process, and specifically share it within the communities that they are proposing for this trial.
- Any service commitments arrived at through this consultation process must apply to all entities participating in the trial.
- Any consultation must include a commitment to Indigenous Data Sovereignty principles, and ongoing work with First Nations communities to design workable solutions.
- The ABA must only use partner sites that have the support of the local community, that meet high safety and security standards, and where staff are already subject to strict and enforceable information-handling obligations.
- A separate and distinct space must be created within the host building for any partner-assisted hubs.
- At least one staff member engaged, trained and paid by the ABA or their relevant members must be present at all times in any partner-assisted or standalone banking hub.
- These concierge staff must be trained to undertake their roles in a trauma-informed manner, and to recognise possible indicators of financial abuse and domestic and family violence.
- Concierge staff must also be trained to ensure a high level of First Nations cultural competency, and the ABA should actively seek out opportunities to employ First Nations people as concierge staff, especially in areas with large First Nations populations.
- Concierge staff are prohibited from providing customers with financial advice or attempting to sell or promote financial products. They must also be subject to – and trained to abide by – the Banking Code of Practice.

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- The ABA must investigate the potential for a 'roving hub' model, and report back to the Commission and consumer advocates on their findings.
- Any invitation to include additional sectors or industry groups – such as the Customer Owned Banking Association or entities from the Superannuation or Insurance industries – to participate in this trial must itself be subject to ACCC approval.
- If such an invitation is considered, the different code obligations which apply to different sectors must be resolved clearly, and in favour of customers, with the highest possible code obligations from the participating sectors applying.
- The ACCC must retain the right to revoke, amend, or reconsider its approval if the banks currently participating in the regional branch closure moratorium withdraw their commitments, or if the ACCC has reason to believe that the proposed trial is being used as cover for further branch closures.

The Federal Government should:

- Provide an update on where its proposals for a minimum banking service obligation and a redistributive levy are up to.
- Urgently progress both pieces of work.

General comments on bank closures in Australia

An industry-led problem can't have an industry-led solution

Banking is an essential service, but since June 2017, 2,586 bank branches around Australia have been closed.[1] They have not disappeared as the result of a natural or organic process, and their closures were not inevitable or unavoidable. In every case, a bank has made the decision to shut the doors, and take their services away from a local community.

While the banking industry talks about "increased pressure on the economics of maintaining physical branches", that 'pressure' does not appear to be having much of an impact on the major banks' broader viability. In the 2024/25 financial year, Westpac made a net profit after tax

1 https://www.apra.gov.au/news-and-publications/authorised-deposit-taking-institutions-points-presence-statistics

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of $6.9 billion[2], NAB made $6.8 billion[3], ANZ 5.9 billion[4], while the Commonwealth Bank recently announced a $10.9 billion profit for the 2025/26 financial year[5]. Australia's banking industry is generally accepted to be one of the most profitable in the world.

The ABA's application repeats long-standing talking points about the decline in in-person banking and the use of cash, without acknowledging the banking industry's leading role in accelerating those trends. By reducing their services, closing branches, removing ATMs, and charging fees for in-person cash withdrawals, banks have actively made it harder for Australians to find a branch and access cash. It is galling to have the industry then use the inevitable results of these actions as retrospective justification for them.

In addition, it is curious that the ABA names "the vastness of the Australian continent and the spread of the population" as one of the major challenges facing 'the economics of physical branches' and then cites the United Kingdom (which is 32 times smaller than Australia) and New Zealand (29 times smaller) as the two countries which provide a credible model for a successful industry-led solution.

The failure of the moratorium shows the need for Government intervention

CHOICE has warned on numerous occasions in the past year that the moratorium on regional branch closures is failing. This application by the ABA, and some of the comments contained within it, confirm the moratorium's failure.

The moratorium, as we have said before, is deeply flawed. It says nothing about any banks beyond the big four, says nothing about banks in suburban and metropolitan areas (of which 1,685 have closed since 2017), and contains nothing to prevent banks stripping back services and reducing opening hours whilst notionally keeping a branch 'open'.

These gaps were made glaringly clear in July last year when Bendigo Bank announced that it was closing another ten branches across Victoria, Queensland and Tasmania, leaving several towns without a single bank branch.[6] They were highlighted again in October 2025 when Westpac announced it was sacking 200 bank tellers around the country, and training the

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2 https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/wbc-full-year-financial-results-2025.pdf

3 https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2025-full-year-results-summary.pdf

4 https://www.anz.com/content/dam/anzcom/shareholder/full-year-results-announcement/2025-full-year-results-news-release.pdf

5 https://www.commbank.com.au/content/dam/commbank-assets/investors/2026/CBA-2026-Full-Year-Results-Profit-Announcement.pdf

6 https://www.bendigobank.com.au/media/update-on-network-changes/

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remaining branch staff to show customers how to use the Westpac app as a replacement for in-person services.[7]

Then in July of this year, Commonwealth Bank announced it would be closing its Camden branch. Camden is the fastest growing population in NSW[8], but Nine News reported that Commonwealth Bank was the fourth large bank to leave the area since 2020.[9]

In September, Commonwealth Bank also announced the closure of its Albion Park branch, and directed customers to their Shellharbour or Dapto branches, 8 and 10 kilometres away respectively.[10]

Meanwhile, Bankwest, a subsidiary of Commonwealth Bank, has moved to an entirely digital model, a shift which involved the closure of 45 bank branches across Western Australia, including 17 in regional areas, and the conversion of a further 15 to Commonwealth branches.[11]

In the three years that the moratorium has been in place, 482 bank branches have closed around Australia, including more than 100 in regional areas.[12] The moratorium may have been a success as a public relations exercise, but as a response to branch closures, it has been a smokescreen, and even then only a temporary one.

The ABA's application tacitly acknowledges this. In impressing upon the ACCC the "urgent need to progress discussions on an industry solution to the challenges associated with regional banking", they write:

> "The moratorium on regional branch closures is due to expire for some major banks by mid-2027. [...] Post-moratorium, decisions regarding the distribution of face-to-face banking services will be a matter for individual banks, but the continued challenging economics of face-to-face service delivery in regional areas will remain."

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[7] https://www.9news.com.au/national/westpac-cuts-200-jobs/407a05c6-c951-450e-8d6b-17f8eac16403

[8] https://www.camden.nsw.gov.au/media-centre/latest-news/camdens-population-boom-puts-spotlight-on-urgent-infrastructure-investment

[9] https://www.nine.com.au/australia-news/nsw/camden-commonwealth-bank-branch-to-close-residents-blindsides-20260714-p60f89.html

[10] https://www.illawarramercury.com.au/story/9363669/commonwealth-bank-to-close-albion-park-branch-despite-pledge/

[11] https://www.abc.net.au/news/2024-03-06/bankwest-to-close-60-branches-in-perth-wa/103555124

[12] https://www.apra.gov.au/news-and-publications/authorised-deposit-taking-institutions-points-presence-statistics

These sentiments demonstrate the limitations of an industry-led approach to an industry-created problem. Even the ABA, the peak body for Australia's banking industry, have been forced to admit that they are powerless to prevent their own members from continuing to close branches. The moratorium which the industry put in place has failed to staunch the flood of closures, and has not been yet renewed by two of its four participants.

Specific recommendations for the ACCC

'Commitments' should be set by customers and the Government, not the banks

The ABA's application proposes the establishment of "overarching voluntary regional service commitments to provide assurance to regional communities that they will be able to access face-to-face banking services, based on metrics such as population size, customer vulnerability, and distance that will be implemented through a range of delivery channels factoring in banks' own branch networks". It goes on to say that "These commitments could be informed by metrics such as population size, customer vulnerability and distance to nearest physical branches."

While the ABA and its members are welcome to embark on the process of setting a baseline expectation for themselves, consumers will understandably be sceptical about the industry setting its own standards – which would not even be mandatory – when so many services have already been ripped away.

If the ABA is going to undertake this work, it must go beyond the raw data and be informed by the lived experiences of real people. A commitment that is based on data analysis and desktop research is bound to fall short. As a condition of approving this application, the ACCC should require the ABA to conduct open forums in regional communities, and give local people the opportunity to outline the importance of local banking services where they live, what they need from banking services, how those needs are best addressed, and the consequences of the last decade's rapid decline in services. The ACCC should require the ABA to consider the insights gathered from these fora to inform the development of the regional service commitments.

In many cases, the raw statistics also understate the needs of local communities, because of the work of financial counsellors and financial capability workers in plugging gaps in local services. Accordingly, the ACCC should require the ABA to also consult with Financial Counselling Australia and state-based financial counselling organisations, as well as specialist and regional community legal centres, to identify underserved communities where financial counsellors and other advocates have observed particular needs.

In addition, the Regional Banking Working Group should be required to publicly share the data and insights that they gain through this process, and specifically share it within the communities that they are proposing for this trial. If the industry is 'assessing the community's needs', then they should tell that community what their assessment is.

Any consultation should also include a commitment to Indigenous Data Sovereignty principles, and ongoing work with First Nations communities to design workable solutions.

We note that, in their application, the ABA proposes to "prepare and submit a stakeholder consultation plan to the ACCC by 6 November 2026 which outlines the consultation that will be undertaken for the purposes of developing potential solutions to support access to face-to-face banking in regional Australia and evaluating the Regional Banking Hub Trial."

It is regrettable that this plan was not provided as part of this application, so that customers and advocates could have had the opportunity to comment on it. Regardless, we strongly urge the ACCC to set their own requirements for what consultation the ABA should undertake, with a focus on First Nations customers, regional and remote communities, and the many advocacy and casework groups who work on their behalf. Participation by advocates must be appropriately compensated by the ABA.

Even with these conditions, any industry-drafted, voluntary commitments are likely to provide flimsy assurance to bank customers across the country. Ultimately, it must be the Government, not the industry, who determines what basic level of banking service Australians are entitled to expect.

Banking is an essential service, and the Government should develop a mandatory universal service obligation which recognises and enforces this reality.

There are a range of sensitivities to consider around 'partner-assisted' hubs

CHOICE does not oppose the Banking Hubs proposal contained in this application, but we do have some concerns about the proposed model.

First, while the ABA's application lists Australia Post and local Council offices as the most likely venues for its 'partner-assisted hub' model, it does not expressly set out the full list of possible sites that will be considered. Local community centres are listed as potential host sites, and one mention is made of 'retailers' as a possible 'delivery partner'.

While local community centres do an enormous amount of good in their local town or suburb, we would have significant concerns about their use as banking hubs. These centres often rely on volunteers for at least some of their services, and even paid staff are not necessarily subject to all of the strict and enforceable obligations which apply to, for example, employees of Government agencies and Government-owned corporations. In addition, having banking services and associated items on site, such as terminals and cash, could create safety risks for staff and other centre users.

In addition, the use of a portion of third party business premises as banking hubs would raise an array of privacy and information security concerns for bank customers, and create significant additional risks of exploitation.

Where they are utilising, for example, a Council or Australia Post site, these hubs should also maintain a clear and obvious separation from Government services. First Nations advocates indicate that this is particularly relevant for some First Nations people, who may feel anxiety and intimidation conducting their private banking in a Government-associated building. This sensitivity should also be applied to the selection of partner sites. While a police station is a very secure premises which is attached to a Government service, it would plainly be inappropriate for a banking hub.

For all of these reasons, standalone hubs appear to be vastly preferable to the partner-assisted model. Where partner-assisted sites are to be considered, the selection of the partner site should lie with the communities themselves, and should be part of the consultation process.

The ACCC should make it a condition of approving this application that a separate and distinct space must be created within the host building for any partner-assisted hubs. They should also require the ABA to only use partner sites that have the support of the local community, that meet high safety and security standards, and where staff are already subject to strict and enforceable information-handling obligations.

If the industry want concierge services, the industry should pay for them

Furthermore, the operating model for partner-assisted banking hubs set out in Annexure C proposes that:

> "Existing partner staff (Australia Post or local Council staff) are trained to provide concierge support (e.g. support customers using the multibank ATM, accessing the shared IT infrastructure, booking and access telephone/video services in the private meeting room) and answer simple questions in a bank-agnostic way (e.g. how to download a banking app, how to use an ATM or what to do if suspicious of a scam etc)."

The annexure then sets out the full list of duties which 'partner staff' would be expected to fulfill:

- welcoming customers and explaining the services available;
- helping customers use the Smart ATM and coin machines;
- helping customers access their own bank's app or website on hub devices;
- connecting customers with their own bank by telephone or video, and help book the private room for visiting banker appointments;
- providing general support with digital banking; and
- may include other basic banking tasks such as identity or document checks or any other individual basic in-person services that a participating bank chooses to allow.

It is not clear why the work of providing concierge support to bank customers should be outsourced from an industry making billions of dollars in profits to the existing staff of local Councils and other Government agencies.

Although the application makes mention of training for 'partner staff' to provide this support, the fact remains that local Council staff and Australia Post employees are not bank tellers. No mention is made of any compensation which would be paid to these Government agencies, or the individual staff, for the considerable additional workload associated with the extensive list of proposed duties set out above.

In the interests of fairness, as well as for simplicity for customers, and for the reasons set out in the previous section, clear separation should be maintained between the staff of any hosting partners and that of the bank or banks involved in the banking hub trial. The ACCC should make it a condition of approving this application that at least one additional staff member engaged, trained and paid by the ABA or their relevant members must be present at all times in any partner-assisted hub, to provide banking concierge services as their sole or main role.

The ABA is already proposing that such staff would be engaged by participating banks for the standalone hubs, and there is no obvious reason why they should not be engaged for the partner-assisted hubs as well.

Concierges need a high level of training and clear expectations

Under this proposed model, concierge staff will carry significant responsibility, in some cases as the sole representative of the banking industry in a particular town or region. It is critically important that the right training is provided to these staff, that the scope and limits of their roles are clearly understood, and that high expectations are set.

In particular, concierge staff must be trained to undertake their roles in a trauma-informed manner, and to recognise possible indicators of financial abuse and domestic and family violence.

A high level of First Nations cultural competency is also of critical importance, and the ABA should actively seek out opportunities to employ First Nations people as concierge staff, especially in areas with large First Nations populations.

In addition, the scope of the concierge role must contain clear limitations. It must be made clear to staff that they are not to provide customers with financial advice or attempt to sell or promote financial products. Their role is to facilitate a customer's engagement with their individual bank, and to provide support for customers who lack digital confidence. They must also be subject to – and trained to abide by – the Banking Code of Practice.

The 'roving hub' model should be investigated

In addition to the two types of hubs outlined by the ABA, there may be merit in a 'roving hub' model, where a mobile facility moves between different local communities, visiting each a certain number of times per year on pre-determined and pre-advertised dates.

This model has been successfully implemented in the past for some Government services, and is especially relevant to remote communities where a full time hub is not considered. We note that the NSW Small Business Commissioner's submission to this consultation also encourages the ABA to consider this concept.

The ACCC should make it a condition of approving this application that the ABA investigate the potential for a roving hub model, consult with relevant communities, and report back to the Commission and consumer advocates on their findings.

If other organisations are included, then the highest possible code obligations should apply

We understand that the ABA may be considering inviting the Customer Owned Banking Association (COBA) to join the regional bank hub trial at some point in the future, as well as representatives of other industries such as superannuation and insurance.

First of all, any invitation to include additional sectors or industry groups to this trial should, and very likely would, itself be subject to ACCC approval.

In addition, if such an invitation is considered, the ACCC should ensure that the different code obligations which apply to different sectors are resolved clearly, and in favour of customers.

ABA member banks are subject to the Banking Code of Practice, while COBA members are subject to their own code, as are other industries. If, down the line, non-ABA members do join this regional bank hub process, then all participants should be subject to the highest and most stringent code obligations of the participating sectors. For example, if COBA members were invited to join, then they should be subject to the more stringent requirements of the ABA's Banking Code of Practice.

Closing comments

It is worth reminding ourselves why the banking industry are suddenly pursuing these industry-led solutions so urgently.

If it was left up to the industry alone, branch and ATM closures would have gone on unchecked, indefinitely. Having started the process, and closed thousands of branches in just a few years while pushing customers towards online services, there is no basis to think they might have stopped of their own volition.

It is only the political and community pressure created by the Senate Inquiry into bank closures in regional Australia[13], the ongoing campaigning of consumer and community advocates, and

13 https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/BankClosures

the Government's threats of a redistributive levy[14] that have forced Australia's banks to acknowledge the value that customers place on face-to-face banking services.[15]

Having created this problem, the banking industry cannot be left alone to solve it. It falls to the Federal Government to intervene firmly and directly, to set a minimum level of service, and to institute a levy to ensure that the banks who have closed more of their branches are not rewarded at the expense of those who have kept more of their network intact.

CHOICE supports the Government's commitment to protecting in-person banking services, but the levy proposal leaked in late 2024, that was reported to be still in progress in September last year[16], has now gone completely quiet. We encourage the Government to provide an update on those proposals, and to follow through on their plans to place strong obligations on Australia's banks to maintain a basic level of service to all Australians, wherever they live.

To discuss this submission further, please contact CHOICE at mcampbell@choice.com.au

Yours sincerely,

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14 https://www.afr.com/politics/federal/banks-face-new-levy-to-keep-rural-branches-open-20241115-p5kqwu

15 https://www.afr.com/companies/financial-services/banks-to-work-together-on-regional-branches-to-kill-off-levy-threat-20261008-p613i3

16 https://www.afr.com/companies/financial-services/banks-propose-new-funding-model-to-keep-regional-branches-open-20250905-p5mslv

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