

Banks to improve fraud protections on deposit accounts

Five Australian Banks (Westpac, CBA, NAB, Macquarie and Bendigo & Adelaide Bank) will improve their compliance measures and controls for deposit accounts that can be operated by third parties following a review by ASIC. At the time of the review, such accounts had balances totaling around \$28.6 billion.

ASIC reviewed the policies, procedures and controls in place to prevent fraud and unauthorized transactions. ASIC found these accounts, which are often operated by financial advisers, could do more to manage the risks to customers associated with third party access. ASIC had not identified concerning levels of fraud in these accounts.

The Report found that banks should do more to explain the level of access provided to third parties, and the potential risk of unauthorized transactions.

The five banks involved have agreed to improve their current practices, including:

- ensuring application forms adequately explain that customers will provide advisers authority to operate on their account
- better monitoring of advisers' use of the accounts, and
- in the appropriate circumstances, remediating customers who lose funds as a result of authorised transactions by their adviser.

[Read the full report here](#)