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Consultation on the Second Action Plan (National Plan to End Violence against Women and Children 2022–2032)

The Australian Financial Complaints Authority (AFCA) is the independent external dispute resolution (EDR) scheme for the financial services sector. For more than 30 years, AFCA and its predecessors have provided a free, fair and independent forum for the resolution of consumer and small business complaints in the financial sector. This includes complaints involving violence against women and children.

AFCA welcomes the opportunity to provide feedback on the Consultation on the Second Action Plan National Plan to End Violence against Women and Children 2022–2032 (National Plan). Our submission focuses on the impact of financial abuse and the critical role the financial services sector can play in preventing and responding to it.

Financial abuse

The first iteration of the National Plan set an expectation that financial institutions actively work to prevent abuse through their products and services. We note that the Consultation Paper for the Second Action Plan only briefly covers financial abuse.

AFCA considers financial abuse to be a serious and persistent form of violence that requires elevation in the Second Action Plan. We consider that a strong and coordinated response from across the financial services system is essential to prevent harm, disrupt the misuse (and weaponisation) of financial products, services and systems, and to support safer pathways to financial recovery.

Financial abuse is a pervasive issue in the Australian community, yet it is often less recognised as a form of domestic and family violence.¹ Financial systems can be misused by perpetrators to exert control, create dependency, and restrict a victim-survivor's financial autonomy. Financial abuse is distinctly gendered; it

¹ Glenn, R. and Kutin J. J. 2021, *Economic abuse in Australia: Perceptions and experience*. Sydney, Australia: Centre for Women's Economic Safety. Available at: www.cwes.org.au/publications-submissions/ p.3.

disproportionately impacts women. One in four women, and one in thirteen men, have experienced domestic or family violence by an intimate partner. Of those who seek support, 90% are affected by financial abuse.²

Unlike other forms of abuse, financial abuse may be less visible to others, making it harder to identify and intervene early. It also often intersects with broader structural and systemic barriers that can limit access to support, including for women who are culturally and linguistically diverse, older, living with a disability, LGBTQIA+, or First Nations.³ Financial abuse compromises women's ability to leave or secure their economic futures. Its ripple effects can be devastating, particularly where women have caring responsibilities and perpetrators weaponise the child support system to leave them in financial hardship.⁴

There is strong evidence of a relationship between economic insecurity and family violence. Where there are higher levels of financial stress, women are much more likely to experience physical and sexual violence or emotionally abusive, harassing and controlling behaviours.⁵ Given the current cost of living crisis, we consider financial abuse to be an urgent and pressing issue.

Key recommendation

AFCA recommends the Second Action Plan recognise and elevate financial services as a critical setting for prevention, early intervention, response and recovery. We welcome the ongoing efforts by financial firms and industry sector codes to address financial abuse. We note that capabilities still vary across financial firms, and consider there is an opportunity to strengthen and uplift responses across the entire financial services sector so that victim-survivors have effective protections regardless of their financial firm.⁶

This requires financial firms to:

- utilise a victim-survivor lens and comprehensive adoption of Safety by Design⁷ principles and approaches to mitigate known risks before they emerge and to

² University of New South Wales 2022, *Tackling economic and financial abuse linked to domestic and family violence*. Arts, Design & Architecture, Sydney. Available at: <https://www.unsw.edu.au/arts-design-architecture/our-research/research-impact/case-studies/tackling-economic-financial-abuse-linked-to-domestic-family-violence>.

³ As noted in the *Financial abuse: an insidious form of domestic violence* report, Aboriginal and Torres Strait Islander women may experience financial abuse in distinct ways. Financial abuse may arise not only in intimate partner relationships, but in wider family relationships as well. Cultural norms about sharing wealth, caregiving and broader support systems based on reciprocity increase the risk of financial abuse. p.6.

⁴ Parliamentary Joint Committee on Corporations and Financial Services 2024. *Financial abuse: an insidious form of domestic violence*. Canberra, Parliament of Australia. p. 129 – 138.

⁵ Morgan A., and Boxall, H. 2022, *Economic insecurity and intimate partner violence in Australia during the COVID-19 pandemic* (Research report, 02/2022). ANROWS.

⁶ For example, Fiequity, the Australian Banking Association (ABA), the Australian Finance Industry Association (AFIA), the Customer Owned Banking Association (COBA) and the Australian Retail Credit Association (Arca) have established the Financial Safety Alliance to address the misuse of financial products in cases of economic abuse.

⁷ As at July 2026, 70+ Australian businesses have signed to the [Respect & Protect register](#), banning financial abuse in their products and services for more than 20 million customers across the finance, telecommunications, water, energy, health, transport, education, and technology sectors to ban the misuse of their products and services for financial abuse.

respond effectively when they do

- commit to using their unique position to identify and support victim-survivors of financial abuse and reduce barriers to help seeking and recovery at individual firm level and through self-regulatory vehicles such as industry codes of conduct
- mutually test their responses and learn from other financial firms and sectors to reduce risks and respond more effectively to customers who are experiencing family violence and financial abuse.

This submission draws on the insights from AFCA's complaints experience, where family violence, coercive control and financial abuse are raised by a consumer, identified by a financial firm, or identified by AFCA during the complaint process. We also refer to AFCA's previous submissions including:

- [2024 Parliamentary Inquiry into the Financial Services Regulatory Framework in relation to Financial Abuse](#)
- [2025 Attorney-General's Department Consultation draft of the National Plan to End the Abuse and Mistreatment of Older People](#)

We consider that the [National Plan to End the Abuse and Mistreatment of Older People 2026 – 2036](#) provides important insights into the impact of financial abuse and the role of financial institutions in protecting victim-survivors. We encourage a similar approach to be taken in the National Plan.

AFCA also contributed to the 2026 Treasury Consultation Paper on Preventing perpetrators from accessing victims' super death benefits.⁸

Financial abuse complaints at AFCA

AFCA receives escalated complaints that a firm did not resolve at the internal dispute resolution (IDR) stage of the complaints process. While only a minority of complaints escalate to AFCA, we recognise that victim-survivors can face significant barriers to making complaints to a firm directly or to AFCA. Given the barriers victim-survivors face, we believe the actual scale of financial abuse, involving the weaponisation of financial products and services, is significantly larger than what we see at AFCA.

Complaints involving financial abuse are not limited to banking and credit. We see issues of financial abuse in complaints involving all financial products. This includes banking and finance, general and life insurance, superannuation, and investments and advice complaints. Financial abuse can involve:

⁸ We anticipate that Treasury will publish the submissions on their consultation page: [Preventing perpetrators from accessing victims' super death benefit](#).

- controlling or restricting a victim-survivor's access to funds or financial resources
- coercing a victim-survivor into credit products, policies, or investments
- obtaining financial products in the victim-survivor's name which do not benefit the victim-survivor
- deliberately defaulting on jointly held products to negatively impact a victim-survivor's credit
- changing, cancelling, or claiming on an insurance policy without a victim-survivor's knowledge
- deliberately damaging a victim-survivor's property to financially injure them
- coercing the victim-survivor to withdraw funds or roll them over to a self-managed superannuation fund effectively controlled by the perpetrator
- using financial products or services to facilitate abuse, including sending threatening, intimidating or abusive messages through transaction descriptions.

AFCA's complaints experience shows how financial systems and processes can be exploited by perpetrators to continue patterns of coercion and control. Financial abuse can continue after a relationship ends, hindering recovery and efforts to rebuild economic independence, autonomy, and safety.

Where financial firms do not recognise the risks of financial abuse, or do not have appropriate measures or safeguards in place, their products, services and processes may facilitate harm. The consequences for victim-survivors can be significant and long lasting.

Case study: Breach of victim-survivor's confidential hardship arrangement

The victim-survivor and her former husband (the perpetrator) held a joint home loan with a financial firm (the bank), secured by a mortgage over the family home. Following their separation, the victim-survivor experienced ongoing family violence, including financial abuse and coercive control.

The victim-survivor said the bank breached the complainant's privacy and confidentiality by disclosing details of her confidential hardship arrangement to the perpetrator, despite being aware of her circumstances and the Family Violence Restraining Order. She said the bank's actions facilitated and worsened the impact of the perpetrator's financial abuse and coercive control. The victim-survivor raised concerns that the bank:

- did not act on early notice of a dispute between the borrowers, including notice of family violence
- failed to meet its hardship and extra care obligations to her as a customer in extremely vulnerable circumstances

- shared her personal information with the co-borrower, such as her financial circumstances and hardship assistance details, breaching confidentiality and privacy and creating serious safety risks for her and her children, and
- inadequately responded to her internal complaints and delayed resolution.

AFCA found that the bank breached the victim-survivor's privacy and confidentiality by disclosing details of her confidential hardship arrangement to the perpetrator. This disclosure enabled the perpetrator to continue his abusive conduct. AFCA awarded the victim-survivor \$6,300 compensation for non-financial loss in recognition of the significant distress caused by the bank's conduct.

To assist financial firms in responding to financial abuse, AFCA has published our updated [Approach to family violence](#) and [Approach to financial abuse of older people](#) to assist financial firms to resolve complaints earlier and avoid escalation to AFCA.⁹

Opportunities for intervention

Financial firms are often the best placed to identify early warning signs of financial abuse, due to their customer relationships, and access to information about transaction histories, account information, and product usage.

The way financial firms respond to victim-survivors of financial abuse can either support safety and recovery or create barriers. These barriers can include safety concerns, fear of the perpetrator finding out, or fear of financial or other impacts from debt collection actions or adverse credit reporting.

Financial firms should identify opportunities to help customers and take steps to remove barriers, ensuring support is available to all customers experiencing financial abuse, not just the customers who proactively disclose it.

Financial hardship

The financial services conduct regulator, the Australian Securities and Investments Commission (ASIC) in its report *Hardship, hard to get help: Findings and actions to support customers in financial hardship* raises a key and often missed opportunity by financial firms to identify and act early to support customers in financial hardship, often including victim-survivors, even where the firm may have dedicated family violence policies.¹⁰

⁹ AFCA Approach documents support consumers, small businesses and financial firms' understanding of AFCA's approach to certain issues and how we reach our decisions. The Approach documents provide practical information on how AFCA will assess and determine complaints and enhance AFCA's transparency, consistency, and efficiency.

¹⁰ Australian Securities and Investments Commission 2024, *Hardship, hard to get help: Findings and actions to support customers in financial hardship* available at: <https://download.asic.gov.au/media/w35baapb/rep782-published-20-may-2024-20240809.pdf> p. 122.

ASIC Example 51: Inflexibility in handling of a customer experiencing vulnerability, despite lender's policy allowing for this

A customer was experiencing domestic violence and had separated from their partner and was living in domestic violence housing. They were dealing with medical issues that had left them unable to work.

Despite the lender having specific arrangements in place to make the hardship process easier for customers experiencing family or domestic violence, such as waiving the requirement to provide further information, the lender did not apply these in practice.

We identified several concerns with the lender's handling of the customer's hardship notice. The lender's hardship team:

- issued a generic request for further information to the customer;
- did not take the customer's details over the phone; and
- in discussions with the customer, did not provide details of relevant support services (other than including information about the availability of financial counselling services in its standard hardship letters).

AFCA sees an opportunity for financial firms to improve their hardship processes to identify and provide sensitive and tailored support to victim-survivors of financial abuse.¹¹

Case study: Failure to respond to financial difficulty

A victim-survivor experienced prolonged financial hardship while jointly liable for a secured loan. Her circumstances were later linked to family violence, financial abuse and coercive control. Following the relationship breakdown, she was left solely responsible for loan repayments after the perpetrator stopped contributing.

AFCA found that the victim-survivor repeatedly notified the bank that she could not meet repayments because of reduced income, unemployment within the household, serious health issues, and reliance on government income support. These communications constituted hardship notices under the National Credit Code and triggered an obligation for the bank to genuinely consider assistance.

¹¹ Parliamentary Joint Committee on Corporations and Financial Services 2024. *Financial abuse: an insidious form of domestic violence*. Canberra, Parliament of Australia. p. 73-77.

AFCA found the bank failed to respond to the hardship notices, failed to provide a written outcome to the requests, and continued collections enforcement action when it was not entitled to do so.

AFCA also found that the bank failed to meet its obligations to provide extra care to customers experiencing vulnerability. AFCA awarded compensation of \$3,500 for non-financial loss arising from the bank's failure to comply with its hardship obligations.

A coordinated system response

AFCA supports a coordinated system response to financial abuse. It cannot be addressed by victim-survivors, specialist services, financial firms, regulators, governments, or dispute resolution bodies acting alone.

Key opportunities include:

- embed end-to-end Safety by Design into all financial products and services:
 - > designing product application and assessment processes to identify indicators of undue influence, coercion and financial abuse
 - > introducing appropriate levels of positive friction where risks are identified, to help ensure customers are providing free and informed consent
 - while wholly digital products and processes can improve accessibility and convenience, frictionless digitised customer journeys can reduce opportunities for timely and tailored intervention
 - > training frontline staff to engage with victim-survivors in a sensitive, respectful and trauma-informed manner
 - > building capability among product, policy, technology and design teams to ensure products and services cannot be easily weaponised by perpetrators.
- establish proactive and consistent responses to financial abuse:
 - > developing systems and processes to detect warning signs of financial abuse, rather than relying solely on victim-survivors to self-disclose
 - > applying consistent standards and expectations across firms, while retaining flexibility to respond to individual circumstances
 - > regularly reviewing and improving products, services and processes to ensure they remain accessible, responsive and safe
 - > providing accessible and culturally informed pathways to dispute resolution
 - > strengthening support for economic recovery, including restoring financial independence, financial capability and long-term financial wellbeing.

- improve collaboration, data sharing and system learning:
 - > testing, measuring and evaluating interventions to better understand what works in preventing and responding to financial abuse
 - > sharing insights and lessons across industry to improve practice and lift standards
 - > clarifying information-sharing and privacy frameworks to support safe and appropriate intervention where financial abuse is suspected.
- strengthen industry standards and accountability:
 - > setting meaningful, concrete and enforceable standards which address financial abuse in Codes
 - > developing Code commitments to improve proactive and protective measures to detect and intervene in financial abuse
 - > supporting continuous improvement through Code monitoring, accountability, and regular review.

Case study: Failure to provide extra care per the Banking Code of Practice

A victim-survivor experiencing family violence and financial abuse held a credit card with a bank, which she had been coerced to use by the perpetrator. The bank was aware of her circumstances from an earlier AFCA complaint and had applied a credit to the account as part of a resolution.

After the credit was applied, the bank reported adverse repayment history information (RHI) and blocked the card because a minimum payment had not been made. The victim-survivor said she did not understand that a payment was still required after the credit was applied to the account.

AFCA found the bank had not clearly explained the repayment obligations or the consequences of non-payment. The settlement letter did not explain that a further payment was required, how much was owing, or that the credit would not count as a repayment. AFCA accepted that this lack of clarity caused confusion and that the victim-survivor was unaware she needed to make a payment to avoid arrears.

Given the bank was aware of the victim-survivor's circumstances, AFCA found it had failed to provide clear communication and extra care as required under the Banking Code of Practice. AFCA concluded that, had the bank communicated appropriately, the victim-survivor would likely have avoided the adverse credit reporting and card restriction. The bank was required to remove the adverse RHI and pay \$2,000 compensation for non-financial loss.