

Scam

Snapshot: 70 year old female, originally from Serbia, had an encounter with an 'American Doctor' on Facebook and sent him \$320K to help him return to the USA. The Australian Government asked her to fill out a form explaining her overseas cash transfers.

Kim's Story:

- Kim has no children. She does have a brother and a niece who are supportive but not close. She had sold her unit in Doveton and paid a deposit on a unit in Sandringham within walking distance of the beach. She was due to settle on the unit in two months. Her bank balance was in excess of \$400k when she encountered an 'American Doctor' who was serving in Syria for the US Army.
- The doctor required money to get home to look after his 5 year old daughter as her mother had died of breast cancer. The story was 'sophisticated' with photos of the girl, the doctor, their house etc. This with a text from the doctor's 'superior officer' caused Kim to start sending money to help. The amounts started out relatively small, less than \$10k. As the story developed Kim sent more money and on 8 occasions transferred a total of \$320K. All were sent from the suburban branch of the Bank.
- Kim later received a letter from the Government requesting her to fill out a form explaining the reason for transferring funds overseas to the Middle East.

Working together:

- Kim came to SECL for help with the form and was originally seen by a Community Wellbeing worker, who upon hearing Kim's story approached Financial Counselling Intake with her suspicions. A decision was made to prioritise this case and it was allocated to a Financial Counsellor (FC) for immediate action.
- The first task for the FC was breaking the news to Kim that she was a victim of a scam (a simple 5 minute search on Google). Her grief at this news was extreme. Kim was also comforted by the Community Wellbeing worker at first contact, and referral was made for counselling to provide ongoing support to assist the client to deal with her grief.
- FC contacted the Bank to try and stop the latest transactions, but it was too late to recall the funds. With the help of the bank's anti scam department, the photograph of the supposed doctor was checked with the Turkish Bank concerned, and of course did not match.
- Following consultation with the Manager of Financial Counselling, FC consulted with an outside agency that had some experience with scams and was advised to contact directly the Manager of Hardship at the Bank.
- FC used the Bank's new code of practice in part to advocate on behalf of this vulnerable and technically illiterate customer. FC also pointed out the lack of extra commitment from the

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Bank to take extra care of the elderly. The matter was immediately referred to the Bank's Office of Customer Advocate for investigation. All staff involved with this customer were interviewed by this high level legally trained staff member.

- It was found that on two occasions the customer had been warned about proceeding with 'high risk' transactions where Kim could not contact the beneficiary other than via Facebook.
- The bank conceded that this approach could have been made sooner. The FC reiterated a number of times that no one had told her it was a scam. Given her age and vulnerabilities perhaps the risks could have been explained to the customer differently.

Outcome of financial counselling:

- Having regard to the customer's personal circumstances, specifically her age and that the funds transferred due to this scam comprised the majority of her funds the Bank reimbursed 50% of her funds, or \$160k.
- Kim attended several counselling sessions with SECL's volunteer counsellor
- FC was thankful for the Royal Commission into the Banking Industry.
- FC sent the following to the Bank:

I cannot try to explain the sheer joy and relief when I explained the offer to the customer today. There were tears of joy and tears of sadness for being deceived. There were also tears as she confessed to serious thoughts of suicide.

This was a very generous and a timely response by the bank. Thank you so much for your consideration and compassion for this sad and lonely lady.