

# Dear big banks, please lend me your attention

**D**EAR Australia's banks, This letter is on behalf of your customers who are doing it tough right now. I'm writing it in the first person, because that's how I need you to think of me.

As you know, I've banked with you my whole life.

My loan is just one of the 900,000 that you deferred when this awful pandemic first started. I want to say thanks for the breathing space you gave me.

But at the end of this month, that support finishes and you're expecting me to get back on track. What happens if I can't?

What if I'm one of the people who is going to struggle to get another job, whose business won't recover, or whose home is at risk?

If I still can't pay, this is what I need.

First and foremost, kindness. The world would be a better place if we were all just a little kinder to each other. Treat me with respect and empathy. Please listen to what I say.

Second, understand that talking about money is hard. We're more likely to talk about our sex lives than tell someone else how much money we earn or how we manage our day to day bills.

But you're going to want to ask me some very personal questions about what I'm spending and how much I can afford to pay.

And that brings me to my third point — I need affordable payment arrangements. Don't pressure me into agreeing to repay more than I really can. Understand that when I'm on the phone talking to you, I'll



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probably agree to whatever you say. I want the stress of the call to end.

But it can be really hard to know what money I'm going to have left over and where I can cut back.

Please work with me constructively to come to an arrangement I can sustain.

Fourth, remember that you're not my only creditor. I have electricity, gas and phone bills and sometimes credit with other banks. I'm juggling them all and it's hard.

Fifth, don't ask me for every single, red cent of that uncommitted monthly income you think is magically going to be available.

Everyone needs a savings buffer. I need to set something aside for the inevitable emergency, for the unforeseen event.

The car will break down. Someone will get sick. I'll need to go to a funeral.

As a bank, you've been saying for years that your focus is on my financial wellbeing and you keep talking about building

financial literacy.

If you're serious about those things, then allowing a savings buffer should be the first thing you put in place. It's in both of our long-term interests.

Sixth, the kind of arrangements that were common pre-pandemic just aren't going to cut it this time. Short-term moratoriums of three months won't be long enough.

I'll do whatever I can to retrain, to find a job, to get back to where I was. That might take a while.

Think longer-term deals. About interest only. About debt waivers. About combinations of all of them.

I know that means taking a hit to capital. But if we're all in this together, that's what needs to happen.

Seventh, don't charge me penalty interest rates or excessive fees. Just don't. Commissioner Hayne said it was reprehensible and it is.

Eighth, sometimes arrangements fall over. Handle debt collection internally for as long as you can. But if you do sell my debt, make sure it's to a company that will treat me fairly. See points one to seven above.

Ninth, stop the risk people in your organisation from running the show. "Risk" is too often just a fancy word for "losing as little money as possible". No business wants to lose money, so I understand why that is attractive.

But the hardship and collection frameworks that the risk professionals put in place can be shortsighted and simplistic. They don't allow for the damage they do to people, and your reputation, when you don't treat me as an individual.

Tenth, sometimes you should refer me for independent advice to a community-based financial counsellor. Some of us have complex financial and personal challenges. A financial counsellor can help me think through my options.

And finally, I'm worried sick about losing my home. It seems manifestly unfair that through no fault of my own, everything I've worked for might disappear. No one is asking for a government hand-out, but we do need a creative solution to tide us over.

Please tell me that you're talking to the government about what that could look like.

I look forward to your response.

**FIONA GUTHRIE IS THE CEO OF FINANCIAL COUNSELLING AUSTRALIA, THE PEAK BODY FOR FINANCIAL COUNSELLORS**

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