



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

STATEMENT

Name: Philip Stewart Bowden

Address: Lot 6, 93 Chesterfield Circuit, Nhulunbuy,
Northern Territory, 0881

Occupation: Financial Counsellor

Date: 4 July 2018
PB.

I, Philip Stewart Bowden, Financial Counsellor, of Lot 6, 93 Chesterfield Circuit, Nhulunbuy, in the Northern Territory, say as follows:

1. I make this statement on the basis of my own knowledge, save where otherwise stated. Where I make statements based on information provided by others, I believe such information to be true.
2. From about 2005 to 2013 I worked in community development and social enterprises in Cambodia.
3. During that period I returned to Australia for about a year before returning to Cambodia to take up a new job as CEO of International Cooperation Cambodia, a conglomerate of about 7 community development agencies that worked together.
4. In 2013, I returned to Australia. In around June of that year I took a role with the Salvation Army in Sydney. I completed by diploma in Financial Counselling at Booth College in Sydney. In around 2014 I qualified as a Financial Counsellor and worked as a Financial Counsellor with the Salvation Army.
5. I have been employed by Anglicare NT as a Financial Counsellor since July 2016.

Signature: _____

Witness: _____



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

The work of Anglicare NT

6. Anglicare NT is funded by the Australian Government Department of Social Services to provide financial counselling, capability and resilience services in the Northern Territory Region of East Arnhem. The service aims to support clients at key 'life points' when increased or improved financial capability can play a preventative or early intervention role. The focus is on:
 - (a) assisting clients to resolve personal financial difficulties and access other sources of support and assistance;
 - (b) working with clients to increase their capability to make informed decisions on the best course of action for resolving personal financial difficulties; and
 - (c) helping clients improve their ability to manage their financial affairs in the future.
7. The service provides financial counselling through direct case work or one-on-one intensive support, including information, advocacy and or negotiation, referrals to other support services, and community education.
8. Intensive support is provided through an in-depth assessment of a person's financial situation to understand the extent of the person's financial difficulties and to identify options to address those difficulties. Clients are encouraged to participate in the planning and decision-making process.
9. Through the provision of individual and group community education, financial capability services helps clients build sustainable capabilities to budget, manage their money and make informed choices that lead to greater self-reliance and better financial and social wellbeing. Financial Capability Workers deliver financial literacy education, information and coaching whilst maintaining a strong focus on supporting clients to make change and learn by doing.

Signature: _____

Witness: _____



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

10. Information about scams, "book ups", understanding consumer rights and responsibilities with loan contracts is also provided.
11. Financial Capability Workers are employed by Anglicare NT and are based in Nhulunbuy, Groote Eylandt and Ramingining. Financial Capability Workers also travel out to Galiwinku every second week.
12. Attached to my statement and marked **PSB-1 [WIT.0900.0004.0001]** is a summary of the work undertaken by Anglicare NT.

My role at Anglicare NT

13. Financial Counsellors are employed by non-government agencies, specialising in low income support, debt advice, community education, federal and state advocacy. These agencies have ASIC exemption from the requirement to hold a credit license. Financial Capability Workers focus on education and capacity building, particularly concerning superannuation.
14. In my capacity as a Financial Counsellor I visit Groote Eylandt monthly, for around 4 days each time. While there I work directly with clients and with Anglicare NT's Financial Capability Workers who live and work on Groote Eylandt.
15. Through the course of my work at Anglicare NT, I have become aware of confusion about financial matters – including the concept of an overdraft – within indigenous communities, including on Groote Eylandt. For example, when I tried to explain to one client what an overdraft was, and the meaning of a minus symbol next to their account balance, this appeared to be a difficult concept for the client to grasp, especially in English.
16. For many of the clients we deal with, English isn't their first language. It can be their 2nd, 3rd, 4th, or 5th language. While some of our clients have very good English, others have significant difficulty communicating in English.

Signature: _____



Witness: _____





Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

17. It was one of Anglicare's NT's Financial Capability Workers who brought the matters outlined below to my attention, and the information relayed below is taken directly from that staff member's case notes. The staff member advised me that she had spoken to three local community members on Groote Eylandt who discussed having their accounts overdrawn on multiple occasions leaving them with no money, even after welfare payments had been deposited into their accounts.
18. This staff member no longer works for Anglicare NT. Attached to my statement and marked **PSB-2 [RCD.0024.0025.0001]** is a copy of the relevant case notes. I have since discussed the notes with the former staff member to clarify some queries I had about the notes.

Client 1:

19. On 14 December 2017, the client was referred to a Financial Capability Worker by Centrelink. Before that referral was made, Centrelink had discussed the client's case with the Financial Capability Worker. From my reading of the notes, I can say the following.
20. The reason for the referral by Centrelink was that the client's family would commonly take his bank card and spend money from the client's account. That has caused the client's account to be overdrawn on multiple occasions. As a consequence, on some occasions the client's Centrelink payments was used to clear the overdrawn amount, leaving him without funds in the account. The client did not want that to continue.
21. The Financial Capability Worker met with the client and discussed the situation. The client spoke little to no English and was struggling to understand the concept of an overdraft. The Financial Capability Worker asked a Centrelink worker to act as a translator so as to enable the client to better understand.
22. The Financial Capability Worker explained that if the bank was asked to turn off the overdraft feature, the client would not be able to spend more than the funds in

Signature: _____

[Redacted Signature]

Witness: _____

[Redacted Witness Signature]



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

the bank account which would prevent him having no money for the fortnight. The client agreed.

23. On 15 January 2018, the Financial Capability Worker and a Centrelink worker took the client to ANZ to switch off the overdraft. The Financial Capability Worker assisted the client to talk to bank. The client was currently set up with the ability to overdraft up to \$1,000. The client did not understand the concept of an overdraft.
24. The Financial Capability Worker explained to the bank teller that the ability to overdraw was not benefiting the client and asked that it be switched off. The client signed a form to remove the overdraft.
25. The client has a debt of \$600 to pay off over the next few weeks from his Centrelink. The Financial Capability Worker ensured that the bank was only allowed to take 10% each week as he is on welfare payments.
26. Case note 17/01/2018 - Case closed- no further correspondence with the client.

Client 2:

27. On 30 November 2017 the client was referred to a Financial Capability Worker by Groote Eylandt & Bickerton Island Enterprises (**GEBIE**). The client wanted to learn how to save money.
28. The Financial Capability Worker and the client discussed the client's current income and expenses. The client's ANZ account was, at that stage, overdrawn by \$310 dollars. The Financial Capability Worker asked if the client understood what an overdraft was. The client had no such understanding. The Financial Capability Worker provided some education about overdrafts and the client decided to contact the bank to cancel any overdraft available on the client's account.
29. The Financial Capability Worker assisted the client to call the bank. The client was unable to be assisted over the phone and needed to visit a branch. The community

Signature: _____

Witness: _____



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

bus was not running and so the Financial Capability Worker took the client to bank (a trip of about 25 minutes by car).

30. At the bank the client was told that it was possible to cancel the overdraft, but that because the account was locked at that time, it would be necessary to return to the bank on Friday after the client's Centrelink payment had been deposited so that the outstanding balance could be cleared.
31. It was also discussed that the client had a savings account, which she had forgotten about. That account had been directly debited \$10 per week for the last 2 years.
32. The Financial Capability Worker agreed to meet again with the client on Friday.
33. On 1 December 2017, the customer came back to Financial Capability Worker and said that she had received her family benefit money and now needed money for cigarettes and food.
34. The Financial Capability Worker discussed the overdraft with the client and asked whether she wanted to pay-off the overdraft with her family benefit payment, and wait to buy cigarettes and food tomorrow when her Newstart payment came through. The client wanted to have money today and to pay off the overdraft with her Newstart payment.
35. The Financial Capability Worker assisted the client to go to the bank and take out cash from her account. 10% of her family benefit payment was used to pay back the overdraft. Because the client took money leaving the account overdrawn, her account remained locked until the overdraft was paid off.

Conclusion

36. From my review of the file notes, it is unclear if these clients 'opted in' to the overdraft option or if they were given the option to 'opt out'.

Signature: _____

Witness: _____



Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

37. ANZ have voluntarily agreed to Centrelink's Operational Code which states that if a client is in overdraft and receiving Centrelink payments, ANZ will only take 10% of the welfare payment to pay back the overdraft. I am not sure if this happens automatically or needs to be requested by the client.

Signature: _____



Witness: _____

