**Without warning NAB cuts off small business from online banking**

*The banks are pushing customers to do their banking online, but NAB’s mistreatment of customer Paul Thomas shows this gives the banks enormous power over consumers, which they are willing to abuse*.

Last month on a Friday, 24 February, Big Four bank NAB cut off customer Paul Thomas from accessing his online business banking account through NAB Mobile Banking.

Paul was thrown into chaos and turmoil, unable to do his banking for four days, before NAB restored access again.

The account was turned off 15 days after NAB wrote Paul a letter giving him 30 days’ notice that the bank was closing his account without explanation.

This is an increasingly common practice employed by NAB and the other big banks called “debanking”.

Paul suspects that a NAB officer mistakenly cut off his access to NAB Mobile Banking prematurely, based on him being scheduled to be debanked.

Nevertheless, the mistake cost Paul dearly, triggering what he describes as a “downward spiral with my health, both emotionally, mentally and physically”.

That is because it wasn’t just the extreme inconvenience and stress of being cut off from his accounts with no explanation, but because Paul’s cash-in-transit business has been debanked before—by Westpac in 2020.

Paul Thomas’s company, Commander Securities, which is a small competitor to Armaguard and Prosegur, transports cash to supply businesses and ATMs.

The banks are especially targeting cash handling, processing and remittance businesses like Paul’s for debanking.

When Westpac debanked Paul in 2020, he wasn’t alone: a 2 December 2020 ABC article by Dan Ziffer reported that the banks had closed the accounts of numerous cash remittance companies which specialised in transferring money from ethnic communities in Australia to their families overseas.

The explanation was that, following the massive fines the regulator AUSTRAC levelled on Westpac ($1.3 billion) and CBA ($700 million) for breaches of Anti-Money Laundering and Countering Terrorism Financing (AML-CTF) laws in 2018, the banks had become risk-averse in dealing with companies that handled large quantities of cash.

Except unlike the banks, Paul Thomas and all of the cash remittance companies who were debanked were all fully compliant with AUSTRAC; if anything, as ABC noted, debanking them was forcing customers “to send money in riskier and less transparent ways outside of government oversight”.

Also contradicting the banks’ “risk-averse” explanation, ABC cited one cash remittance business that hadn’t been able to get a bank account for four years, long before the Westpac and CBA fines.

Robert Barwick, Research Director of the Australian Citizens Party (ACP), which has helped to highlight the banks’ mistreatment of Paul Thomas, said: “Paul Thomas is actually a victim in the big banks’ war on cash.

“The banks have goals to reduce, and even eliminate, cash use, as they revealed in mid-2020, boasting that thanks to COVID, they achieved goals to reduce cash use that they thought would take 5 years, in just 10 weeks.

“To achieve these goals—that are entirely to boost their power and profits, not to benefit their customers—the banks are closing branches and ripping out ATMs to force everyone to transact digitally, and debanking businesses that are part of the infrastructure for supplying cash.

“Paul’s case is a clear warning against allowing the banks to eliminate cash, because if all banking is digital, NAB and the other banks will have the power to cut you off from your money at their whim.”

Robert Barwick said Paul Thomas’s ordeal underscores the need for the ACP’s policy of a government-owned post office bank, which wouldn’t be allowed to discriminate against lawful business by debanking them, and would always supply cash.