Internet banking: convenient or costly?
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Internet banking is supposed to offer convenience for the consumer. And for the most part, making transactions online is quicker and easier. But as ACA discovers, the system has proven costly for some customers who’ve had their savings stolen because of simple security flaws.

When David and Louella Currie returned home from a relative's interstate funeral recently, they were unaware of the saga that was about to unfold — a so-called family friend had robbed them blind using an online account they had never opened.

"I thought all our money is safe … then to find out it's so easy to steal from you …" says Louella.

The couple claim the thief got hold of their old bank statements and secretly opened an online account over the phone. They say the only identification he needed was their birth dates and their hard-earned money was at his fingertips.

According to Chris Connolly, director of the Financial Services Consumer Policy Centre, Internet banking may reduce costs for the big institutions, but the cost to the customer can be crippling.

"Internet banking still needs a lot of improvements. Most of the fraud is very simple and doesn't need complicated computers or to be a technical genius. It's actually fairly simple criminals exploiting fairly simple weaknesses," he says.

The Curries' account was with Westpac, or the Bank of Melbourne as it's known in Victoria, where the couple is based. In the bank's official Internet statement it assures customers that systems are constantly monitored for any abnormal activity. But, in the Curries' case, their savings were sapped away over a period of two weeks and Westpac failed to recognise anything was amiss.

"It amazed me that they didn't pick it up sooner and alert us and inquire if this amount is normal to be taken out on such a daily basis … surely some alarm bells should have been rung," says Louella.

No-one, it seems, is immune from such security breaches. Former AMA President Dr Gerald Segal didn't have an Internet account either. But someone posing as him managed to siphon $34,000 from his personal funds.

As for the Curries, however, their Internet thief has skipped the country so it might be some time before the law catches up with him.

"The banks have a lot to answer for and we might just be a little customer, but somewhere along the line there will be someone with a lot more money than us," says Louella.

Moving forward, Chris Connolly reckons it's the responsibility of the banks to be more security conscious.

"They really should be meeting the individuals, getting a lot more documentation and doing a lot more to check people are who they say they are," he says.