

Name: Alert ID: TMML2024034908227 image copyrightEPA Australia's Westpac bank has negotiated to pay a record A\$1.3bn (£0.7bn; \$0.9bn) fine for the nation's biggest breach of money laundering laws. Last year, Australia's financial crime watchdog said the bank had failed to adequately report over 19 million international transactions. Some payments were potentially linked to child exploitation, officials said. The nation's second-biggest lender has apologised for its "failings". Westpac is the second top Australian bank to pay huge fines for breaching anti-money laundering and counter-terrorism financing laws. If the billion-dollar fine is approved by a court, it will be the largest civil penalty in Australian corporate history. However, the fine could have been larger. The Australian Transaction Reports and Analysis Centre (Austrac) said the transactions had amounted to 23 million law breaches, with each carrying a maximum penalty of A\$21m. Concerns about child exploitation came after Austrac identified payments made to suspected operators in the Phillipines. Australian media has since linked the bank to individual cases, including an alleged paedophile's suspected use of Westpac's transfer system to pay for child sex overseas. "The notion that any child has been hurt as a result of any failings by Westpac is deeply distressing and we are truly sorry," said former chairman Lindsay Maxsted last year. He and Westpac's former chief executive left their positions last year over the scandal. "We are committed to fixing the issues to ensure that these mistakes do not happen again," said chief executive Peter King in a statement on Thursday. Westpac self-reported some of the breaches to the Australian Transaction Reports and Analysis Centre (Austrac) last year. It also disclosed the investigation to shareholders, including a forecast penalty. The bank said on Thursday it had reached an agreement to settle the court case waged by Austrac. Most of the breaches concerned the bank's failure to report international transfers to the regulator, as required by law, in a timely fashion. This amounted to more than A\$11bn between 2013 and 2019, Austrac said. It said the bank also failed to retain records and carry out due diligence checks with potentially high-risk overseas banks. Austrac said there were also a small number of payments on accounts that were potentially linked to "child exploitation risks". "The failure to pass on information... undermines the integrity of Australia's financial system and hinders Austrac's ability to track down the origins of financial transactions, when required to support police investigations," said the regulator's boss Nicole Rose last year. The cases comes amid several investigations around the world into top banks for their alleged failures to prevent money laundering. HSBC, Danske Bank and Rabobank have all been involved in high-profile scandals. In Australia, Westpac's competitor Commonwealth Bank paid an A\$700m fine for similar breaches in 2018 involving 53,000 suspect transactions.