

Media release

APRA takes action against unauthorised banking businesses

The Australian Prudential Regulation Authority (APRA) has sought an injunction in the Federal Court of Australia to restrain an individual from engaging in unauthorised banking business and using the word “bank” without the appropriate licence.

The Respondent in the proceedings is Andrew Morton Garrett whose purported businesses include Dynamic Capital Bank, Banque de Capital Dynamique, and Banca di Como.

The Respondent is allegedly operating and marketing businesses in Australia that he describes as banks, despite not being authorised to carry on a banking business. He has ignored a demand from APRA to stop referring to these businesses as “banks” and cease carrying on any unauthorised banking business.

Under the Banking Act 1959, only authorised deposit-taking institutions (ADIs) licensed by APRA are legally permitted to carry on banking business in Australia, including referring to themselves as “banks” or describing their services as banking.

Deputy Chair Margaret Cole said APRA urged consumers to do their research before handing money over to unfamiliar businesses describing themselves as banks.

“APRA’s licensing regime, prudential framework and supervision protect bank depositors by requiring any business wanting to conduct banking business to meet stringent standards and requirements in areas such as capital, liquidity, governance and risk management. Deposits in APRA-regulated banks are also protected by the Government’s Financial Claims Scheme (FCS) up to \$250,000 per account holder.

“We have limited information about Mr Garrett’s businesses, including how many customers they have, because we don’t regulate them and they don’t report data to us. However, we are taking action to help prevent Australians mistakenly believing they are depositing money with an APRA-regulated institution and receiving the same protections,” Ms Cole said.

If people are unsure whether a financial institution is a bank, they can check the list of all APRA-regulated ADIs at: [Register of authorised deposit-taking institutions | APRA](#) or contact APRA at info@apra.gov.au.

More information about the FCS is available at [Financial Claims Scheme | APRA](#).