

How ‘derisking’ made me feel powerless – even as a Member of Parliament

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My name is John Salong, and I’m a Member of Parliament in Vanuatu, and a former Minister of Finance. You’d think that in such a position, accessing basic financial services would be straightforward. But in today’s world of global banks ‘derisking’ small countries such as mine, even elected officials are powerless to complete the most routine international transactions.

This reality hit home recently when I needed to send AUD \$7,000 to a company in Australia I had previously worked with. In the past, I would simply walk into my bank, fill out a telegraphic transfer form, and expect the money to arrive in the recipient’s account the next day. This time, however, the National Bank of Vanuatu—where I hold my account—refused to process the transfer. There was no clear explanation, just a flat refusal.

Determined to honour my debt, I tried Western Union, a cash-based remittance service. I waited in line for over three hours, only to learn that I could only send half the amount—AUD \$3,500. To send the rest, I would need to return the next day and wait another three hours and pay their fees again. It was an exercise in futility. Ultimately, I handed the money to a fellow citizen who had access through a relative to an Australian bank account. He managed to complete the transaction, depositing the funds in the company’s account.

Even that raised issues. The company questioned why the funds had come from someone they had never heard of and asked how would they explain to auditors why they were suddenly receiving funds from someone who had no previous relationship with their operators. I had to provide additional documentation so that the company could satisfy Australian audit requirements. The whole exercise was a bureaucratic nightmare.

This might sound like an isolated inconvenience, but it’s symptomatic of a much larger problem affecting the entire Pacific region. Due to international efforts to combat money laundering and terrorism

“Derisking is not a just banking policy — it’s a silent but insidious crisis. It undermines our economies, our governance, and our dignity. The Pacific cannot afford to be cut off from the world. The global community must recognize this injustice and work with us to restore inclusive financial systems.”

financing, large banks are cutting ties with smaller countries they deem ‘high risk’. This process, known as derisking, has seen a 30% reduction in correspondent banking relationships in the Pacific between 2011 and 2022—the fastest withdrawal rate in the world.