

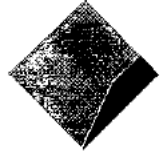
# Commonwealth Bank

Commonwealth Bank of Australia  
ACN 123 123 124

GPO Box 2719  
Sydney NSW 1155

22 November 2016

Stephen Boyd  
Secretary  
House of Representatives Standing Committee on Economics  
Parliament House  
CANBERRA ACT 2600



Per email [economics.reps@aph.gov.au](mailto:economics.reps@aph.gov.au)

Dear Mr Boyd,

## **Review of Australia's Four Major Banks – Question in writing**

We refer to your letter dated 9 November 2016 requesting details of the relevant financial adviser referred to in Mr Cohen's letter dated 20 October 2016, and the action taken by the Commonwealth Bank in relation to that adviser and that adviser's customers.

### **Mr Jade Zaicew**

The financial adviser Mr Cohen was referring to was Mr Jade Zaicew. Mr Zaicew was a financial planner with Commonwealth Financial Planning Limited (CFPL) between May 2008 and May 2012, when he resigned whilst under investigation by CFPL.

CFPL notified ASIC about concerns it had in relation to the conduct of Mr Zaicew on 1 March 2013, including relating to inappropriate advice, conducting unauthorised transactions on several customer accounts, and various concerns around advice documentation. CFPL also reported concerns to the NSW police.

ASIC banned Mr Zaicew from providing financial services for a period of seven years in April 2014.

### **Action taken by the Commonwealth Bank for Mr Zaicew's customers**

CFPL followed a process to identify all impacted customers of Mr Zaicew. Those who potentially suffered detriment as a result of Mr Zaicew's conduct were contacted and have had their files reviewed and remediated.

Under a process agreed with ASIC, in 2015 these customers were also offered a further review of their advice and up to \$5,000 to assist them with obtaining independent financial or legal advice. The process CFPL followed to identify these affected clients was assessed as reasonable by an independent expert.

All of Mr Zaicew's customers were also eligible to have their advice reviewed in the Open Advice Review Program.

All reviews of Mr Zaicew's impacted customers are now complete and all impacted customers have been remediated, with the exception of a small number of customers with reviews in the Open Advice Review Program which are scheduled to be completed by the end of December 2016.

Yours sincerely,

David Cohen  
Group Chief Risk Officer