

2.5 QW: The Committee requests internal documents relating to the sacking of 37 National Australia Bank financial planners in the years leading up to 2015, in particular:

- a) correspondence between NAB staff, senior executives and/or board members regarding reviews of the client files managed by these planners;
- b) correspondence between NAB staff, senior executives and/or board members regarding issues pertaining to compensation for clients of these 37 planners;
- c) correspondence between NAB and ASIC regarding these 37 planners;
- d) any other relevant documents pertaining to the employment and firing of these 37 planners, including performance reviews or assessments, bonus payments, internal complaints or compliance reports.

#### Answer

The Committee's reference to the 'sacking of 37 National Australia Bank financial planners in the years leading up to 2015' appears to relate to an internal NAB report titled 'NAB Wealth Advice Review' which was prepared for NAB management in August 2014 (the Report) and later released without authority to the media in early 2015. This Report was never intended for use outside of NAB, it is positioned as detailing interim findings only.

The Report referred to 37 planners who had been suspended, terminated or had their resignations ensured due to conflicts of interest, inappropriate advice practices, or serious or repeat compliance breaches/issues. NAB can confirm that of the 37 planners, 21 were dismissed, had their contracts terminated or were encouraged to resign due to these concerns. However, contrary to the statements made in the Report, 14 left NAB for reasons not related to compliance breaches, and the remaining 2 left NAB for reasons not related to compliance breaches but have subsequently been notified to ASIC as planners about whom NAB has serious compliance concerns.

#### Answer a), b), d)

The Committee's request is for correspondence between NAB staff, senior executives and/or board members regarding reviews of the client files managed by these planners and regarding issues pertaining to compensation for clients of these planners and any other relevant documents pertaining to the employment of these planners.

These documents will fall into three categories: documents arising from complaints; documents from regular compliance reviews and documents created as part of a targeted review of the planner's files.

Based on a preliminary assessment of the documents that would respond to the requests, we estimate that there are likely to be tens of thousands of documents relating to the 21 planners. It would take a significant amount of time to identify and collate the documents and prepare them for production.

With regards to the preparation for production, we note that the documents would also need to be reviewed to determine whether they contain private and confidential information, commercial-in-confidence information or if they are subject to a claim for legal professional privilege by NAB.

Where the requested documents contain private and confidential information about customers, NAB would, to protect the interests of our customers, prior to providing any of those documents, seek the consent of the relevant customers.

#### Answer c)

With regard to the 21 planners, NAB is subject to the same constraints as outlined in the response to question 2.4 b).

The overwhelming majority of the correspondence with ASIC in relation to those planners will contain personal information relating to customers. In most instances, entire customer files containing personal and financial information formed part of the exchange of correspondence with ASIC.

Accordingly, as the requested documents will contain private and confidential information about customers, NAB would, to protect the interests of our customers, prior to providing any of those documents, need to seek the consent of the relevant customers. The process for obtaining that consent would be a time consuming and costly exercise pursuant to which NAB would identify and describe the information to be produced and obtain each customer's, employee's, contractor's and agent's consent to do so.

It is also relevant to note that some of the documentation provided to ASIC may form part of ongoing investigations by ASIC. Disclosure of this information may prejudice those investigations and any potential actions that ASIC may seek to bring.