

**Committee Secretary
Parliamentary joint Committee on Corporations and finance services.
Department of the Senate
P O Box 6100
Parliament House
Canberra ACT 2600**

July 15th 2013

Dear Sir/Madam,

My letter is for the purpose of informing the senate of the most alarming and appalling situation we currently find ourselves in, due largely and solely to the deceitful and fraudulent activities manifested by the Bank and their associates.

My partner is 71 and i am 64yrs old. After the approval of our investment loan in 2007, we detected false and misleading information added to our Loan Application form – after our signatures had been obtained and without our Knowledge or consent.

At the time we had never heard of or even seen a Loan Application Form, so upon the advice of our Consumer Advocate, (Denise Brailey) and after numerous requests to our lender, we finally received a copy, which we believe was deliberately kept from us in order to hide the maladministration and protect bank staff.

Furthermore, we found to our horror that it contained hugely inflated income estimates and false occupation details entered by persons inside the bank and one of whom we can now identify.

We have since become aware that a copy of this form is by law supposed to be given to us at the time of signing.

The lender did not uphold their end of the bargain by sticking to their Banking Policy guidelines.

How is it possible for the bank to approve a \$900,000 loan for a 30year term to people of our advanced age when we were Centrelink recipients earning \$23,000 per annum. combined. We did not want, or ask for such a big loan.

The lenders knew that we were pensioners as we furnished a copy of our drivers liscence and rates notice, further more we observed that our LAF contained information to say that we are property investors and Centrelink recipients all on the same page (an obvious contradiction)

How is this possible?

Nobody has ever made a phone call to us to check that the information on the forms was true and correct – had this occurred the fraud would have been discovered and the approval of the loan would not have proceeded.

The lender had the power to stop the fraud instantly, and yet allowed the loan to proceed, despite our very small Centrelink income which could never support payments of this magnitude.

There were never any personal interviews conducted (a strict lending criteria) – the lenders knew this could never happen due to the fact that they were operating a “no shop front” office so interviews were geographically impossible.

We were let down by the very people whom we should have been able to trust - we had a right to trust the banking sector, and what is the Corporate watchdog doing while these horrendous scams are operating? – while Asic sleeps on the job thousands are being fleeced of their entire life savings. To think we have no protection, is a terrible disgrace to our nation.

Asic, as it stands, needs to go, and a new active protection agency to take it's place. I don't think Australian tax payers would be at all happy paying Asic's wages when they cannot offer protection to those who need it.

Fos (Financial Ombudsman Service) have closed our file along with hundreds of others because our claim exceeds their jurisdictional limit of \$500k.

When Fos informed us that they had closed our file, they added that now our lender may commence legal action.

This statement caused us unimaginable worry and stress as we didn't know when the axe was going to fall and to think that we were put through this cruel treatment by Fos when we were completely innocent, had not committed any crime at all and yet we were treated as criminals.

It is the bank who has committed a crime against us by altering details on our Loan Application Forms.

These loans were approved by deception so therefore Fos should not have a limit imposed on them and consequently they merit a thorough investigation which Fos has refused.

When a file is closed the victims lose their protection against their lender and this is where homes are lost.

It is so crucial that an order is made for Fos to put a freeze on closing cases whilst the investigation is underway. This will prevent further loss of homes.

We are asking for a Royal Commission into what we think is a corrupt banking sector – there are 36 banks involved just in our group of twelve hundred victims and growing by the day.

If you are reading this and you think you may also be a victim, I would encourage you to look in your file to see if you have a copy of your Loan Application Forms – if not demand them from your lender and you may be shocked at what you see.

Considering all of the above, i think it stands to reason why there is an urgent need for a Royal Commission into the banks, non banks and Mortgage trusts with wide terms of reference.

Our recommendations include the following

- 1. Moratorium on loan repayments and all interest and charges be frozen while investigation is active.**
- 2. Low Doc/ No Doc loans to be eliminated.**
- 3. Payments of commissions from the bank to the broker be ceased.**
- 4. No legal action of any kind to be brought against the borrower while investigation is ongoing.**
- 5. A thorough investigation of all 36 banks, non banks and lenders involved in this scam.**
- 6. For the Credit and Financial Ombudsman to have more power and jurisdiction in order to help victims. At present, our understanding is, that once a writ has been served, the ombudsman cannot help, which is ludicrous, because anybody who has been served a writ should be first in line for assistance as a matter of urgency.**
- 7. To enforce regulation in order to protect innocent people from fraudulent scams.**
- 8. For Fos to put a freeze on closing claims.**
- 9. For Parliament to hold Lenders responsible for the wrong they have done to innocent citizens and for the victims to be put back in the financial position they were in before being lured into these scams.**
- 10. In future that all purchasers of low doc loan products be contacted by phone, and the officer must write down the answers to questions re income etc. Then demand that the lender/trustees must post a copy of the Loan Application Form to the client prior to funds being handed over.**

I, like many others always thought Australia to be the lucky country but since being caught up in this scam, where we could lose our home which we have been fighting for, for the past almost 5 years, has caused us to loose my trust and innocence as i have seen so much corruption in the finance industry.

An expression of how we feel would be to say, totally abandoned - from the ones who have the power to assist, but up until now have not.

I would like to mention again our consumer advocate **Denise Brailey and President of BFCSA (Banking and Finance consumer support association)** who is working diligently without any funding for all of us victims in order to have justice served.

If it wasn't for Denise, there is no doubt in my mind that we would be out on the street.

Finally we are happy to be given this opportunity to present our case for your kind consideration and to say thankyou to those responsible for establishing this inquiry.

Hoping that our recommendation will merit some consideration and that our government will work towards justice for our country, and equally as important for our future generation.

We say honesty is the best policy.

Thanking you most sincerely
Ann Marie Delamere and Errol Opie