

Parliamentary Joint Committee on Corporations and Financial Services

ANSWERS TO QUESTIONS ON NOTICE

19 November 2019

Question No: QoN 006
Topic: AMP – Mr Daryl Oehm
Reference: Hansard page 25

Question:

Senator WHISH-WILSON: Mr Shipton, especially following the revelations of the royal commission, I'm sure we could all agree that there are no excuses for financial institutions charging dead people. It was reported on 11 November by the ABC that AMP had been charging a man who was recently deceased, Mr Daryl Oehm, in Melbourne. What worries me about this report is that the woman who was his executor, who was his best friend, was also Naomi Halpern, who many of you may be familiar with because she was herself a victim of financial crime and was a prominent witness over many years to Senate inquiries. So she followed this up repeatedly with AMP, and we've got a situation here, just hot on the heels of a royal commission, where this is still occurring. AMP have said it was a mistake, and they've rectified it. But I don't accept that at face value, given recent history. Are you investigating this? And will this be a test for the new code of conduct?

Mr Shipton: Let me just say that that was very confronting as well. Let me let me say that we're making inquiries in relation to this. I'm personally very interested in what happened. One thing I will say, and it goes back to Mr van Manen's comments, is that unfortunately this is a vignette—an example of where the systems are obviously failing. There isn't a magic quick solution. I will undertake personally to find out more about what happened in this particular matter, because it was confronting to me and disappointing to me that this was still going on. So I'm happy to come back to you in relation to that.

Answer:

ASIC reviewed the ABC article published on 11 November 2019 and spoke with Ms Halpern regarding her dealings with AMP as executor of the will of Mr Oehm.

It would appear that the conduct of concern related to a loan account and an offset account held by Mr Oehm with AMP Bank Limited and concerns that information provided to Ms Halpern by AMP was incorrect and incomplete. This included that, despite assurances to the contrary, fees, charges and repayment to the loan were not frozen following the notification by Ms Halpern of Mr Oehm's death.

ASIC understands that following communication and correspondence from Ms Halpern and the solicitor acting for the estate, AMP provided Ms Halpern with a formal letter of apology. Further, all loan payments made from the time of notification were reversed and credited back to Mr Oehm's loan account on 7 March 2019, including interest.

ASIC is investigating a number of matters relating to the charging of fees and other costs by entities following the notification of the death of the client. These investigations cover conduct relating to superannuation funds, managed investment schemes and the provision of financial advice.

While the conduct in this particular situation is not the subject of any current investigations, ASIC is continuing to make inquiries, including obtaining all associated documentation, to determine whether an investigation is warranted.

ASIC has also engaged directly with AMP to understand whether any analysis of the root cause of the matters the subject of this complaint has been conducted. AMP has checked a range of data to assess whether there are systemic issues arising from the handling of deceased estates. It has reviewed its processes for communication in these situations.