

I am one of the thousands of investors that used and trusted a financial planner backed by the banks to invest our money. Both my husband and I wanted to build a property portfolio we already had one property but wanted a professional to help us grow. This did not eventuate instead we were vigorously and aggressively duped into MIS (backed by ANZ bank), shares and managed investments well above our income and with no ability to sustain hidden ongoing payments or costs. We were told that there was no way that we could lose our money as it was secured against land and its own investment. The paperwork provided by the banks was impossible to decipher. We were not told our house would be used as capital or of the many commissions our financial planner would receive from the Banks.

The impact of this decision to trust a financial planner and the banks has been catastrophic. We are \$400,000 in debt so far and are fighting against losing our family home and going bankrupt. We have contacted ASIC and our financial planner has handed his license in but what about compensation for the damage to us not just financially but we are suffering health issues: depression, memory loss, anxiety, panic attacks, insomnia, stress, social anxiety rashes, allergies, headaches, muscle pain, lethargy and digestive issues.

Our future is looking bleak and we will end up renting and on a government pension if something isn't done NOW. Not just for us but to prevent others from going through this horrific experience. The red tape to be heard and expensive ongoing court cost are exacerbating our situation. Being able to access compensation and or our superannuation in this situation could prevent bankruptcy and the loss of our house. We want to rebuild our lives. What good is our super or compensation in 10 years if we loose our house, our health or our will to live? It doesn't seem logical? All we ever did was invest in our country because we believed in supporting Australian Agriculture and look what happened. Where's the justice?

### **Terms of Reference**

#### **The current level of consumer protection.**

There is little protection for consumers of financial products as you can see by the billions of dollars lost by people like us. Then when things go bad there is even less protection just more red tape and hoops to jump through all costing a fortune and taking years to eventuate. For example the MIS Timbercorp investment has been going since 2009 thanks to ANZ refusing to negotiate or admit any wrong doing.

#### **The role of, and oversight by, regulatory agencies in preventing the provision of unethical and misleading financial advice;**

ASIC is not doing enough to protect consumers and control financial products on offer in the marketplace. In our case ASIC was aware that Timbercorp operated undeclared plantations and paid undisclosed commissions yet ASIC didn't act they are bound by limited guidelines.

#### **Whether existing mechanisms are appropriate in any compensation process relating to unethical or misleading financial advice and instances where these mechanisms may have failed;**

ASIC is limited in its powers and did not ensure they had proper investigations into the product engineers and sellers of financial products to ensure consumers were safe.

We were not warned by ASIC as a consumer about the dangers ASIC new were happening and the losses that could occur by trusting the manufacturers.

*Mechanisms, including a centralised register, that would ensure financial planners found to have breached any law or professional standards in their employment are transparent, for both the sector and consumers;*

There should be a consumer protection board with a broader scope that is run buy a new Federal Bureau of Consumer Protection, formed by Parliament with a SERIOUS FRAUD OFFICE and NO ASIC people or BANKERS to be employed by the NEW BUREAU.

*How financial services providers and companies have responded to misconduct in the industry;*

The Providers of Product are the Banks and they continue to manufacture the same products riddled with jargon designed to be impossible to decipher. Sellers are just filling in paper. Banks approve the loans knowing the fraud. Banks pay the sellers. Any misconduct by advisers and they get moved into different positions what a deterrent that is and nothing happens to the banks. Where is the incentive to do the right thing by the consumer at any level?

*Other regulatory or legislative reforms that would prevent misconduct;*

All consumers of mortgage loans must receive a Loan App Form at the point of signing – all 11 pages AND borrowers must be permitted to fill out the forms in their own handwriting AND the Banks must send a copy of the final LAF to the customer in a separate envelope – not hidden sneakily behind contracts sent by Banks Lawyers! That way prior to settlement of loan the client once again can see the LAF copy that the bank relied upon to approve fraudulent loans – with documents tweaked by bank insider staff.

*Related matters.*

Without immediate reforms more stories will come out in the media and confidence and trust in banks is shattered as happened overseas.

More should be done to police FOS and COSL. Maybe close FOS DUMB ASIC and COSL as consumer protectors and create a new Federal Bureau of Consumer Protection to be formed by Parliament with a SERIOUS FRAUD OFFICE no ASIC or bank staff to be employed by the NEW BUREAU.

We need Consumer Protection to be TOP PRIORITY or there is no confidence and trust and the economy will go down! It has to be fixed. Billions have been lost. How does being thrown in the streets help the nation?

We need adequate compensation packages for victims to be set up that are paid out in a timely fashion before people go bankrupt or lose there family home. It's the University educated Bankers that are the crooks but the Mum and Dad investors are left devastated.

I would like to see an inquiry into ASIC, The financial system as a whole, private advisers and banks. To this end a **royal commission** into the banking system should be in my view recommended.

Thank you for the opportunity to address you and bring these issues to your attention.