

Senate Inquiry

Scrutiny of Financial Advice

TERMS OF REFERENCE ARE:

Implications of financial advice reforms

Submission by [REDACTED] a victim of misleading and deceptive conduct

I have been fighting a losing battle against Commonwealth Bank of Australia, who are taking summary possession action against my wife and myself and my Company. We are currently defending that action in the Supreme Court, however this is extremely expensive and quite overwhelming. We have sought assistance through ASIC and FOS, both of which have been disappointing to say the least.

Where there has been possible Fraud committed by a financial institution we need a truly independent consumer protection body to investigate the matters in a timely manner. In my case it took FOS two and a half years to review the case. The reviewing officer was on loan from one of the major banks. How can this conflict of interest be allowed? And in my case my solicitor indicated that much of the vital information was either ignored or misunderstood. With no right of appeal the process is definitely flawed. It has left me fighting for survival with no one to turn to other than a very costly legal system geared for the one having the most resources winning.

The current level of consumer protection is inadequate as the time taken to review FOS files clearly shows.

The role of ASIC needs to be a proactive one which doesn't just filter out people based on work load. Which is essentially the reply we received when we asked for help.

The mechanisms currently being applied to Mortgage brokers needs to be applied to all sectors and in particular to Bank officers, who I believe are the biggest culprits of fraud in the industry, and caused by either big incentives to write loans or the pressure to achieve targets.

New mechanisms such as, all information supplied to the bank in a loan submission and including the banks own notes required to be duplicated and verified by the applicant.

The Banks know they can control and manipulate information because currently they are untouchable.

I believe the only way to truly put the fraudsters on notice is to have a Royal Commission into the banking Industry.