

Submission to the Senate Inquiry into Financial Products and Services.

John and Shirley Quinn are ex Storm Financial Clients.

We first became clients of Storm in November 2007; this is when we were presented with our first statement of advice, financial plan. We heard of Storm via some friends and also through media advertising. We took 18 months to decide to invest with Storm, attending their educational sessions and meeting several times with the financial advisor.

At this stage our home was not mortgaged. When we started with Storm they worked out a financial plan for us. This involved taking out a mortgage on our home for \$1.5 million plus a margin loan with Colonial for a further \$1.5 million. We were concerned when the adviser told us about the margin loan as we thought this would be like double dipping with the same asset and we also thought this made our debt too high. Being very convincing as they were, they convinced us this was the way to make some money with little to no risk attached. They did the deal with the National Bank and Colonial Geared Investments. We signed the papers with the bank.

We did tell the Storm financial Adviser we only wanted investments with very little risk as we did not want to lose our money, as it was too late in our life to rebuild our finances again. We told him we had been farmers all our working life and were finished with taking risks. He assured us there were no risks with their investments and showed us quite a lot of graphs to back up this statement, and was very convincing.

As the market began to take a downturn from approx August 2008, we were still assured that all was well and now was the time to invest more in the market not withdraw funds.

By October we did try to see the financial Adviser we had been assigned to, but we just could not get an appointment. We even called into the Storm office to see someone and were told they would get in touch with us. We rang and left messages with them to get back to us, as we were very concerned about our money. Nothing happened. By November we began to realize that something was very much a miss. Our advisors secretary told us that we were nowhere near a margin call and not to worry about it.

We did not get a margin call at any stage. Colonial geared Investments still sold us up without getting in touch with us. We are very angry with the CBA as they sold us up for no reason. We have not been given an explanation from either Colonial or the CBA as to why this happened. Then when we went to pay out the fixed rate loan we had with them, as they had sold us up, so we did not want to deal with them any longer, they had the hide to charge us for breaking this contract.

We have lost approx \$1.2 million with all of this. With a mortgage over our home and have way of paying this out. We have placed our home on the market to sell, but with the economy the way it is have had very few lookers. The stress levels of my husband and myself are very high as a result of this consequently our health is suffering.

The banks received assistance from the government when they were in trouble, we are now asking the government to see that the bank shows some concern for its clients in view of their half yearly profit.