

MEDIA RELEASE

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ANZ agreed victims should not be pursued yet profits refusing to reimburse settlements liquidator demands

Timbercorp victims call on government to extend the scope of the royal commission to investigate the profit relationship between financiers and liquidators and treatment of victims. This follows concerns amidst relentless pursuit by KordaMentha and admission by ANZ the Holt subgroup should not be pursued.

“Absolutely” was the definitive testimony of Graham Hodges, Deputy CEO ANZ, to Matt Thistlethwaite’s question about victims of Timbercorp’s collaboration with Peter Holt, “Does that compassionate approach extend to advising the liquidators (i.e. KordaMentha) not to pursue or foreclose on loans for people who may have been the subject of dodgy advice-the firm you mentioned earlier?”

It was 5 October 2016, the first of the ongoing Bank Review hearings – an exercise government hoped would avert a royal commission. Given ANZ’s unequivocal position that day, Holt victims sought to have settlements reimbursed as the bank is profiting from KordaMentha’s refusal to accept guidance to exercise discretionary authority despite serious financial and personal impacts for people.

On 15 December 2016, Fairfax published an article about ANZ’s new ‘Fairness Officer’, Mr Colin Neave, to commence 17 January 2017. His comments along with CEO Shayne Elliott regarding the role, including review of older products, led Adele Ferguson and Sarah Danckert to note victims would hope it include Timbercorp’s hardship program.

But the next day, at its AGM, ANZ chairman David Gonski shut down HNAB-AG victims’ group representatives from outlining why they sought reimbursement. Mr Gonski directed them to work with KordaMentha knowing victims have no control. Even ANZ cannot engage the liquidator on its view.

HNAB-AG chair, Susan Henry, says “Disturbingly, a question by a shareholder – not a Timbercorp victim – sitting with me was vetted by ANZ behind the scenes. The question of what ANZ was doing to safeguard people from misconduct was not permitted. The bank’s walk does not match its talk.” ANZ did not act when KordaMentha’s hardship program advocate resigned in 2016 citing concerns.

Ms Henry wrote to Mr Neave on 31 January 2017. He did not reply. Instead Gerard Brown, corporate affairs group general manager, replied but not about the request. He reiterated Mr Gonski’s comment. Subsequently, Mr Hodges surreptitiously changed his stance at the next Bank Review, 7 March 2017.

ANZ recently refused to allow Mr Neave to examine the issue at Senator Katy Gallagher’s request.

“Obfuscation, denial and brazen spin, even in testimony to parliament, is typical” says Ms Henry. ANZ has not taken up her offer in 2014 to assist in designing meaningful informed consent which would create transparency and radically reduce unconscionable conduct safeguarding all stakeholders.

“ANZ’s role with Timbercorp Finance and the appalling conduct of KordaMentha and its so-called hardship program must be examined,” say Ms Henry, “It is a perfect example of what is wrong with the banking and finance sector but the terms of reference could exclude it as Timbercorp Finance was a ‘non-bank lender’. This relates to numerous products and banks’ subsidiaries.”

“The murkiness created by degrees of separation enables unconscionable conduct. Liquidators and all industry lenders must be included in the Royal Commission into Misconduct in the Banking, Superannuation and Finance Sector if it is to achieve the purpose of exposing rank rot in the system.”

HNAB-AG chair Susan Henry is available for interview: please contact via email

HNAB-AG represents 140 victims of unconscionable conduct related to multiple agricultural investment schemes including Timbercorp; BT margin lending; SMSF and institutional responses which compound devastating personal impacts as well as financial losses and fail to provide accountability, redress or necessary reform.