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'It can destroy you': Bank victims hope royal commission will bring justice



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After years of campaigning for victims of fraud and misconduct in the financial services sector, Susan Henry says she was "just stunned, frankly" when she heard a royal commission was finally going ahead.

Henry, one of thousands of people caught up in the collapse of Timbercorp, the managed investment scheme spruiker whose finance arm was substantially bankrolled by ANZ, had just got home after walking her dogs in the morning heat when she turned on the television news.

"It is an inevitable, long overdue, and very welcome development," she says.

Henry's money was ploughed into bad investments [by Melbourne-based former financial adviser, Peter Holt](#), whose company, the Holt Norman group, exposed 460 investors to Timbercorp before its collapse in April 2009 with debts of \$750 million.



Ken and Diane Barrow, with their daughter Lauren and labrador Mia, hope the royal commission will bring some accountability. WOLTER PEETERS

Henry, a leader of an action group for former Holt clients that has been vocal in calling for a royal commission, describes herself as having been financially "annihilated" by the actions of her former financial adviser and his "collaboration with banks and the financial services sector".

While Henry says the royal commission has come "not a moment too soon", she wants the government to consult with victims on the agenda of the royal commission, and says its terms of reference should be as broad as possible and include liquidators. She questioned whether the budgeted \$75 million would be enough.

"This is not just about credit card fees, this is about people's lives," Henry says. "Lives have been lost, people's lives have been devastated – not just financially, but [in] every aspect of their lives, as a result of what the banks and the financial services sector have done to them."

Over almost five years, in a series of investigations by Fairfax Media and others, it has been the stories of the victims that have helped push the case for a royal commission – in cases including forgery, fraud and misconduct at the [Commonwealth Bank's financial planning arm](#); misconduct, poor record keeping and cheating on exams at [Macquarie Private Wealth](#); the collapse of Timbercorp and the role of [ANZ as a major backer of its finance arm](#); the sacking and suspension of financial advisers at [National Australia Bank](#) over misconduct like forged client signatures, file reconstructions, and poor advice; bad advice by numerous financial planners and accountants like Sydney's Pullen Pillay; out-dated definitions and other allegations at [CommInsure](#), and concerns about the fairness of clauses in [life insurance provided through superannuation](#), to name a few.



Former Commonwealth Bank financial adviser and whistleblower Jeff Morris describes the government announcement as 'the right thing done for all the wrong reasons'. BRENDAN ESPOSITO

The stories have come from people across Australia, from many different facets of society.

On Thursday, whistleblowers and victims were welcoming the news of the impending royal commission – with some reservations, given the government's announcement followed a public call from the banks for an inquiry to go ahead.



Nicholas Bishop, whose life insurance claim was settled only after his lawyer threatened to expose his case in the media, welcomed news of a royal commission. ABC FOUR CORNERS

"Sadly it is the right thing done for all the wrong reasons," says former Commonwealth Bank financial adviser Jeff Morris, a long-time royal commission advocate who blew the whistle on the forgery, fraud and misconduct in the bank's advice arm in 2008.

"The government should hang its head in shame for running from an issue that was obvious back in 2013," when I went to the media to expose what was going on," he says, adding that the government was operating as a "protection racket" for the banks.



Thousands of people were caught up in the collapse of Timbercorp, the managed investment scheme spruiker whose finance arm was substantially bankrolled by ANZ. JOSH ROBSTONE

Dr Ben Koh, the whistleblower at the centre of the CommInsure scandal, says he has concerns about the "limited" timeline of 12 months.

"I became a whistleblower because what I saw happening was wrong and inconsistent with what was espoused by the bank, and my conscience would not allow me to walk by, keeping silent," he says.

"I hope the royal commission will give other whistleblowers [the] opportunity to speak up."

Father-of-four Nicholas Bishop, whose life insurance claim through CommInsure was settled only after his lawyer threatened to expose his case in the media, says he is pleased by the news. [Bishop had to fight for a payout after being diagnosed with terminal bronchiolitis in 2013.](#)

"That's what we have been pushing for," says Bishop. "What I'd like to see [it] achieve is a completely transparent look into the practices and policies of the major banks and the insurance companies ... and the way that they deal with clients. Based on my own personal experience, and what me and my family went through – there were many twists and turns along the way."

Diane Barrow, a nurse who works with children, and her husband Ken, were left with debts of more than \$200,000 after their accountant and financial adviser ploughed their life savings into ill-fated managed investment schemes promoted by the likes of Willmott Forests and Arafura Pearls.

The adviser, Inderesan "Pullen" Pillay, [was the subject of a detailed report by Fairfax Media](#), as well as multiple complaints to the Financial Ombudsman Service and an ASIC investigation.

The Barrows, who have a disabled daughter, have received some compensation, but a claim against CBA – relating to a period when Pillay worked at advice firm Count Financial, which was later acquired by the bank – is being handled by the FOS and remains unsettled.

(CBA said Count was "committed to resolving complaints" about Pillay, including that of the Barrows, and was co-operating with FOS. ASIC said it was continuing to make inquiries into his conduct. Pillay did not return calls from Fairfax Media.)

While the Barrows have tried to make the most of their situation, the impact of their ordeal continues.

"It's terrible, it has dragged on for years," Diane Barrow says.

"Mentally we try not to dwell on it because I think it can destroy you; it's really debilitating."

Barrow says her experience has left her cynical about what a royal commission could achieve but she hopes it will bring some accountability.

"We all need to be accountable for what we do," she says.

"That was probably the one thing that upset us all along; if I give someone the wrong Panadol I'm held accountable. These people can literally wreck people's lives in other ways and just walk away from it."

"We have spoken to people whose marriages have broken up, they had to sell their house. It has had a terrible affect on people and their lives. I hope they are able to help them and stop it happening. Bottom line is, it's a good thing."



Ruth Williams investigates corporate governance, crime, financial regulation and whistleblowers. Connect via [Twitter](#) or [email](#).
