

## **Why a Royal Commission into misconduct by the financial services industry is vital**

### **1) The Senate Inquiry's Findings indicate it is warranted due to inadequate responses from CBA and ASIC**

In our experience inadequate responses apply to many lending institutions, not only the CBA – certainly ANZ, Westpac/BT, Macquarie, Banker Trust, Elders, Rural Bank. These were lenders behind loans for agribusiness (forestry / horticultural) products, and margin loans for shares that emerged as inappropriate and were often fraudulently executed. The banks were complicit in enabling rogue advisers to financially ruin clients for their own financial benefit. They failed in their fiduciary duty and continue to cover-up and deny responsibility.

Repeated requests by our members to meet with Mr Michael Smith, CEO of ANZ and Mr Ian Narev, CEO of CBA have been ignored or denied. Financial institutions deny, minimize and blame. They take no responsibility.

Efforts to seek a fair outcome are blocked. Banks take advantage of the overwhelming trauma of victims resulting in many people giving up and going away defeated - or do not even start the process.

### **2) The Government Must Understand the Extent of White Collar Crime in FSI and the Need for Adequate Protection of the Public**

Senator Cormann stated in the past couple of weeks regarding the wind back of the FoFA regulations that if problems arise in the future, the government will act quickly to rectify issues. This is closing the stable door after the horse has bolted. The government must respond now to the evidence of the Senate Inquiry that serious corruption and criminal conduct is systemic in parts of the financial services industry.

A Royal Commission would expose how genuinely innocent, intelligent and responsible people can wind up losing their homes, being financially decimated and / or bankrupt. Rogue Advisors like “Dodgy” Don Ngygen (in-house: CBA) and “Pilfering” Peter Holt (outhouse: a supposedly independent suburban office) are getting away with massive theft, financially decimating ordinary Australians.

### **3) Mechanisms for Adequate Reform and Compensation is Essential**

Innocent victims such as clients of the CBA and former clients of rogue adviser Peter Holt are unable to seek proper redress. Peter Holt thwarted recovery action against him by liquidating his company, carefully designing a personal bankruptcy which secured his substantial assets beyond his creditors reach and holding grossly inadequate Professional Indemnity insurance of only \$2million.

ASIC failed abysmally in its duty. It delayed acting on Jeff Morris's complaints and repeated complaints about Peter Holt imposing a vastly inadequate 3 year ban which expires next

year. ASIC's failure to act on reports made decades ago make it complicit in the financial ruin of thousands of Australians. We believe full compensation should occur now, given ASIC, the regulatory body was already well aware of the activities of Peter Holt. Reports had been made, including by the industry, before most of our group had the misfortune to meet him.

Protection of whistleblowers like Jeff Morris is vital. We believe he should be awarded an Order of Australia for his integrity and commitment to protect the Australian public. Instead he has suffered for his honesty, decency and courage in shining the light on the CBA.