

SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES FOR INQUIRY AND REPORT BY 31 MARCH 2016 – Page 1 / 3

Name - Ms Katie Shafar

Preamble

In May 2009 I approached an ANZ Banker for a loan to purchase investment property. The ANZ Banker emailed me my borrowing capacity of \$1.2 million. In July 2009, I purchased a house and land package in Rothwell QLD.

Despite numerous phone calls and emails I had not received written pre-approval. In order to purchase the second property in Clontarf QLD, I insisted on something in writing and on August 4th 2009, was given two pre-approvals each of \$450,000. Based on this I purchased the Clontarf property soon after.

Summation

Kindly note that all supporting evidence can be provided upon request.

I refer to the following Terms of Reference and inform the Committee about my experience of Bank Practices in relation thereto:

- 1a. Practices of Banks etc.....
- 2a(i) loan impairments
- 2a(ii) forced sale of property....
- 2b. the effect of forced sale etc....

1a. Practices of Banks etc.....

ANZ Bank staff informed me I would have to undergo a re-valuation in a depressed market in order to expunge an alleged additional loan circa \$500K provided to me without my authority or knowledge. A default event was avoided due my actions.

2a(i) loan impairments ...

The ANZ provided loans that I had no capacity to repay.

Despite numerous phone and email requests the ANZ failed to provide Loan Documentation in a timely manner, enabling the opportunity to pre-read what I was signing. Documents were signed under extreme duress.

Settlements were imminent and emails and phone calls were ignored, until at the eleventh hour on 25/8/2009 I was asked to attend the ANZ Business Bank at 4pm, to “sign a few documents.” In fact I was kept waiting further as these documents had been generated in India, were apparently incorrect and had to be re-generated. Further, at 5pm I was asked to “find” a JP to witness key documents.

The Banker did not act in my best interests, nor was a duty of care exercised.

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Subsequent investigations on my part, commenced in 2011, when I attempted to uncross-securitize five loans from the ANZ. This process revealed the following -

1. UNKNOWN TO ME there were loans totalling well over \$1.5 million.
2. LVR discrepancies.
3. Significant revelations with regard to Statements of Financial Positions, which I procured September 18th 2012. These revealed inflated income and deflated debt position. In fact on a subsequent refinance the then Banker had written a note as follows” *Total Debt \$1,158,315, 4/9/12 APP date, SP’s do not reflect gross debt for each APP”* -

Soon after I approached the ANZ Bank and requested the original Loan Application Form. This was denied.

2a(ii) forced sale of property....

Although the Bank did not require the sale of the property, the property has had to be sold due to extreme financial hardship.

2b. the effect of forced sale etc....

Estimated losses due to the sale of the aforementioned property are circa \$150,000.00.

Loan repayments have been met -

- a) via significant lifestyle changes
- b) utilizing personal income / funds / savings / significant illness insurance payout to support these properties

Although outside the Terms of Reference, I wish to make a Statement about the Financial Ombudsman Service’s efforts to resolve this matter. I am unable to say anything positive about this service.

In order to receive this Loan Application Form, in September 2012 I approached FOS. This matter escalated through the ranks of FOS. Volumes of documents and emails were exchanged and key documents were still not supplied.

The matter was further escalated to a Senior FOS staff in early 2014, and the matter referred to a Financial Industry Adviser (seconded for this position from a major Bank). This staff totally misread and mis-interpreted documents (effectively doubling my income) and I was actively denied access to explain these massive errors. The matter was closed on May 8th 2014, in a final Determination by

Due to further significant potential financial burden I did not pursue this matter through the Legal System.

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Impact on me by the ANZ Bank - All supporting evidence can be provided upon request.

The ANZ provided me with false information regarding my Loan Status.

Impact on me by the FOS - All supporting evidence can be provided upon request.

1. Lower ranking FOS staff revealed they could clearly see the problem.
2. As the Case escalated Senior Staff produced “red herrings.”
3. Senior Staff threatened me, with absurd response timelines.
4. I still have not received the original Loan Application Form.
5. The introduction at the eleventh hour of the Financial Industry Adviser, to whom I had no access, was entirely unfair and was introduced to disguise the fraudulent Statements of Financial Position, thus FOS claimed the SOFP were correct and the Determination was made based on fabricated evidence.

Recommendations of what I request of the Parliamentary Joint Committee / Senators

1. Establish a Financial Ombudsman that is ENTIRELY BANK INDEPENDENT
2. Provision for a Case Manager from Outset to Outcome with capacity for face to face meeting / mediation - ensure full Banker accountability and transparency
3. Re-investigation of my Case

With thanks

Yours sincerely

Katie Shafar

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