

Inquiry into financial products and services in Australia

In early 2008, I invested with my broker/planner after he recommended his option over investment in shares or property because it gave me a constant set income and was secured by property.

I was given a financial strategy by him for continued wealth creation by taking out an equity loan on my home, which the same broker/planner arranged.

I am now in serious financial hardship and the stress of losing my home, which I have worked my life for, doing much of the work myself as could not afford to pay anyone else, is near impossible to sustain, and am getting psychological counselling.

Further, on the recommendation of my consumer advocate, and a number of governing bodies I was advised to obtain a copy of the "Loan Application form", which I did not have in spite of the fact it is a requirement for my broker/planner to supply me with a copy. The bank repeatedly refused to supply me with a copy till I contacted them again however, this time after speaking to The Banking Ombudsman. They then supplied me with only the first 3 pages of a 10 page doc and again refused to supply the other 7 pages when it was requested. This was deliberately kept from me in order to hide the fraud which was evident after I was sent a copy, only after a request was made in writing and I sort the advice of a barrister.

The banks were lending money to people on low incomes, pensioners and even unemployed such as myself.

There seemed to be some agreement between the banks and the broker/planner because of the ready acceptance of documents, e.g. (LAF) with no checking in place to confirm any of the details on the form.

One phone call would have prevented a lot of suffering.

My broker/planner was a certified authorized representative and held a state based broker licence.

I understand he continues to be paid commission by the lender (through an aggregator) as the AFS licence holder.

In conclusion:

I would like a full inquiry into the banks who created the LOW DOC LOAN AND NO DOC FINANCIAL PRODUCTS and paid broker/planners under the AFS Licence to sell such a monstrous product to people on low incomes, pensioners and unemployed such as myself.

I would like the Parliament to force all banks and lenders to forgive these loans, ASAP. The banks should not be trying to profit from a fraud such as this.

I would also like to say thank you to those responsible for establishing this inquiry.

Regards

Michael Scales