

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB07QON: Hansard p28

Mr EVANS: ... On the topic of small business, I refer to the Small Business and Family Enterprise Ombudsman's report in December. Kate Carnell handed the government a report making a number of recommendations around small business loans. I believe those recommendations were all picked up and endorsed by Phil Khoury in his Review of the Code of Banking Practice. Recommendation 8 was around banks revaluing business assets. The recommendation was: All banks must provide borrowers with a choice of valuer, a full copy of the instructions given to the valuer and a full copy of the valuation report.

You have said in your response today that you agree.

Mr Thorburn: Yes.

Mr EVANS: You support it, but it is not happening yet, right?

Mr Thorburn: The Kate Carnell inquiry has just been completed. We have written back on the Coleman report. We have said that we are happy to do that; we just need to go through a process of implementing it, and we suggest that a transition period of about three months would be helpful for us to move to that new regime.

Mr EVANS: Yes, I saw that. The start of that comment in your response said 'should the government adopt the committee's recommendation'. That does not sound quite right to me. It might be a bit of a mistake. It was a recommendation of the ombudsman, not this committee, and I do not think you are waiting for government to endorse it. So I would have thought this is a chance for you to show your valued customers that you are listening to them, hearing them and responding. So you think an implementation period of three months is appropriate, and you can meet that?

Mr Thorburn: I will take that on notice, just to specifically confirm that. We are supportive of this, and we are suggesting a transition period, but I should just check if there are any other things I need to know before I can give you an absolute commitment.

Answer

Per NAB's written response provided to the Committee, we agree that customers should be able to choose a valuer. This should be from NAB's approved panel of valuers, currently a choice of three valuers is offered to customers for non-residential properties.

NAB can meet a three month transition period.

NAB supports the copy of instructions and valuation being provided to customers for valuations paid for by customers, for non-residential properties and whilst a loan is performing.

Where enforcement action is being undertaken, the valuation and the instructions given to the valuer should be kept confidential until the sale process has been finalised. Thereafter, the valuation and the instructions could be made available to the customer. A period of three months is sufficient to take into account existing matters and time required to change current service agreements with panel valuers.