

**Mr CONROY:** *This was a subject of media reporting in September 2016-so earlier this month- in The Sydney Morning Herald, where Emmaline, while in the last stages of her pregnancy, started experiencing pains. When their second child was delivered, she was diagnosed with terminal cancer. Mr Mathews then applied, through the bank, to get 12-months relief from paying their mortgage so he could take time off from his job to look after his two very young children and his terminally-ill wife. Their initial claim was rejected by the bank. During the time when he made his new application, he was, 'deluged with letters, phone calls, automated voice messages, and text messages from the bank,' and he says, 'Receiving threats from your bank to foreclose on your mortgage and sell your family home while you are dying is just devastating.' The second application was approved for a three-month deferral. He then got another three month deferral-so they got six months deferral. They applied for the full 12 months, as put forward in the financial hardship agreement that your bank made with the Australian government in 2009, and they were refused. That meant that repayments began four months before Mrs Mathews died, and Mr Mathews had to go back to work during this period. Mr Mathews is quoted as saying, 'The thing that saddens me the most is that the threat of losing our house weighed heavily on my wife in her time of crisis,' and, 'It was an unnecessary but heavy burden that she carried with her to the end of her life.' The Commonwealth Bank, when asked for comment on this, refused to directly comment on that case. Aren't the Mathews family at least owed an explanation for why that six-month deferral was not granted? [ ... ]*

**Mr CONROY:** *Mr Cohen, you have already stated that the first application should have been granted, so you are somewhat familiar with the case. Are you aware of whether the person who refused that application suffered any disciplinary action?*

**Mr Cohen:** *No, I am not.*

**Mr CONROY:** *Could you please take that on notice?*

**Mr Cohen:** *Certainly.*

ANSWER

Through dedicated hardship teams, Commonwealth Bank and Bankwest provide support and compassion to a wide variety of customers in difficult circumstances. As Mr Cohen outlined at the hearing on 4 October 2016, Bankwest is very sorry that the experience of the Mathews family did not meet these standards and was so poor in their time of need.

It is evident that some hardship support was provided to the Mathews family but that this support was poorly administered:

- a three month period of deferred payments was implemented from March 2014 once the hardship application was completed;
- once this period expired a further three months of reduced payments was applied; and
- following this period, further time was allowed to clear account arrears.

Despite this assistance it appears that:

- while it is common to extend hardship by 3 months at a time so that ongoing engagement between the bank and the customer can take place (for example if their circumstances change), in this instance providing a longer period of hardship assistance would clearly have been more supportive;
- a junior officer advised that Mr Mathews would not be able to reapply for hardship on the same grounds and this was not accurate; and
- there appear to have been problems with both the frequency and handling of communications to Mr Mathews.

We are very sorry for these failures in responding to this matter.

As a consequence of the Mathews' hardship process, two junior officers involved in the management of the file attended additional training to assist with appropriate decision making and escalation of sensitive customer issues to hardship managers. Other officers from the Hardship Assist team have since attended this training to increase awareness and ensure a compassionate approach. The officers involved deeply regret the impact this matter had on the Mathews family.

In relation to accusations that Commonwealth Bank refused to comment on Mr Mathews' case, it is our common practice not to comment in the media on individual customer matters to protect our customers' privacy.