

2.8 QW: In relation to financial planners Hardik Bhimani, Gerald McCormack, Shane Thompson, Mark Tidbury and Alfie Choong:

- a) What were the circumstances that led to Hardik Bhimani, Gerald McCormack, Shane Thompson, Mark Tidbury and Alfie Choong becoming known to ASIC?
- b) Have you contacted all of the clients of these planners to advise them of the banning? If not, why not?
- c) Have you reviewed all of the client files associated with these planners?
 - i. If not, why not?
 - ii. If so, what did these reviews find?
- d) Have you paid compensation to any of the clients of these planners?
- e) Who within your bank is responsible for reviewing and remedying the harm caused by these former staff?
- f) Was your board briefed about their banning by ASIC?

Answer

- a) **Annexure GGG** contains commercial-in-confidence information relating to the circumstances that led to the planners becoming known to ASIC. NAB requests the Committee keep this information confidential.
- b) The banning by ASIC occurred after NAB contacted clients who were impacted by the conduct of the planner (refer 2.4d).
- c) For Mr Chong, NAB wrote to every one of his clients informing them of our concerns. No complaints were made and no compensation has been paid.

With regards to Mr Tidbury, NAB advised all of his clients that he had left the licensee and wrote to a subset of clients identified as likely to have been affected by inappropriate advice informing them of NAB's concerns and offering compensation for their loss. The letters that were sent to all clients invited them to contact the licensee with any concerns regarding the advice provided to them. Recently, two clients who had not previously been identified as affected made a complaint via our complaints mechanism and as a result, a further client who received advice from Mr Tidbury has also been identified. The files are being reviewed and compensation will be paid if appropriate.

For Mr Bhimani, NAB has written to the clients affected by his misconduct and offered and paid compensation.

For Mr McCormack, one client was affected. His loss was fully rectified.

With regards to Mr Thompson, there were no financial consequences for clients and therefore no contact with clients has been made.
- d) Compensation has been paid to clients of these planners. The estimated total compensation paid to date is approximately \$900,000. There are some ongoing investigations that may result in an increase to this figure.

- e) A range of roles and teams are responsible for addressing and remediating those customers with complaints and/or where loss has occurred due to inappropriate advice or fraudulent conduct.

Any complaints received are handled by the Advice Disputes Resolution team in Wealth Advice Services, which is a team set up to deal specifically with client complaints arising out of advice provided by financial planners. Depending on the nature of the complaint, and its complexity, it may also have been referred to the financial advice specialists in NAB's internal legal team. Generally, any case where the compensation is above \$50,000 will be referred to NAB's legal team for review and advice.

In the cases of Mr Tidbury and Mr Chong, targeted investigations were undertaken by a team comprising NAB Risk and Compliance, NAB Legal and the Advice Licensee.

- f) The NAB Advice and License Board is aware that these advisers were banned.