

To Senator Dastyari - Senate Standing Committees on Economics

My son is an old style farmer who does not have a smart phone or a computer. Instead he works very hard on his farm. When he use to go to the bank to do his business for many years he used his credit card to pay bills.

In 2005 he was pestered by female employers from the bank to take out a loan & pay off his only debt of a credit card of \$13,000 & have money to put into anything he wanted to get done or/and go for a holiday.

With an interest only line of credit within a couple of years he had built up a debt from living expenses to an amount of \$350,000 plus. To pay off this he asked for another loan in 2007. Then in 2008 the loans were amalgamated amounting to \$780,000 all interest only on his home which is now at risk.

This has had a serious effect on his health & the breakdown of personal relationships which is no help to the community.

A. Obviously there has not been enough care in protecting the everyday consumer where there has been indiscriminate lending of hundreds of thousands of dollars to a below the average salary earner with no concrete investment. It doesn't help to have uneducated sellers of faulty bank products (even if they are called "wealth packages") using undue persuasion to sell their product.

B. ASIC , I understand, has known about the practice of indiscriminate lending to people who are asset rich but income poor & have not put anything in place to change the situation to stop the vulnerable from going broke.

C. Where there has been definite false information used in lending money ASIC could have had proper investigations into the sellers of financial products & they could also have warned consumers about the roles of the modern banker. Traditionally in years gone by, bankers gave conservative advice & were trusted by the community. But now they have become Salesmen (looking for their bonus) from the sale of Financial products (which are often faulty) without warranties to give compensation if necessary.

D. To stop the great onslaught of the loss of homes, health & relationships there needs to be a centralised register such as BFCSA to protect the community from the ruthless negligence in keeping the appropriate law or/and professional standards in certain cases of the banking sector - who would be independent of ASIC people or bankers. There needs to be a Federal Bureau of Consumer Protection of people without vested interests.

E. Banks are known to never admit to any mistakes, let alone fraudulent documentations of income or assets or any other discrepancies.

F. As BFCSA says, all consumers of mortgage loans must receive a the 11 page loan application form at the point of signing, rather than it going somewhere else into the bank first.? Also borrowers must be allowed to fill out forms in their own hand writing with the final LAF being sent to the customer in a separate envelope, so that nothing is hidden.

G. The bankers are preying on the unsuspecting vulnerable who haven't been able to look ahead to see the danger they are in.

H. The only way we can protect the community from further deliberate financial breakdowns is to push for parliament to acknowledge & agree to a Royal Commission into the Banking System.

The banks have been a law unto themselves for too long.