

We are victims of bank fraud, maladministration, and irresponsible lending by the Westpac Bank. Two years ago at ages 65 and 60 we were given a 30 Year Interest Only Loan + Buffer Loan (just in case we need it) for an investment property in Queensland. We already had a mortgage on our own home with Westpac and this property was put up as security for the new loans. Given our ages at the time and the fact we had an existing home mortgage, Westpac went ahead and approved these loans, knowing full well our circumstances could change at any time. Unfortunately our circumstances did change soon after with the loss of employment of the main financial provider (Mr Downer). We approached Westpac to see what they could offer in terms of lower interest rates on both our home mortgage and investment property interest rates. During this visit with the Bank Manager we were given a copy of the Valuation of the investment property obtained by the bank before the loans were approved. This valuation was far below what we paid for the property and the report was very negative in terms of the area we were investing in, yet Westpac approved the loan.

Subsequent to this meeting, we became members of BFCSA and with their direction have since obtained a copy of the original Loan Application Form from the broker to Westpac. This form has several discrepancies on it, including a forged signature for Mrs Downer, several people's handwriting, and inflated income. This document also included a **Service Calculator** which was used to fudge the figures to make the loans seem affordable. These calculators were supposedly banned from use in 2011. The LAF we received was for pages 3 - 20 of a 25 page document. Upon asking Westpac bank for the missing pages we were told that they may not be able to provide them if they were found to be "commercially sensitive". We would also like to add that the LAF we signed with the broker was only a few pages and the rest was not filled in in our presence.

We would further like to add that at no time did Westpac bank ring us or meet with us to verify any of the information on the document, including our incomes. A curtesy phone call from Westpac to verify our details could have alerted us to the fact of the discrepancies on the LAF. We also obtained copies of Westpac's typed Loan Application Forms which give totally different, and inflated, incomes for both Mr and Mrs Downer, which differ again from the original LAF from the broker to Westpac. This fraud could be stopped by certain guidelines being put in place for these Lenders to follow the rules and not make their own out of greed and a desire to put hardworking people like us out in the street. They need to stop approving these sorts of loans to the older generation, knowing full well that they are toxic and unsustainable. We also feel that FOS, ASIC and COSL be replaced as consumer protectors and a new independent Federal Bureau of Consumer Protection be formed by Parliament. A Serious Fraud Office should be formed within the Bureau to investigate and stop frauds like ours from happening again to vulnerable people. This new Bureau should not under any circumstances employ any people formerly involved in either FOS, ASIC, COSL or the banking industry. Consumer Protection needs to be a TOP PRIORITY as many people are being forced into the street by unscrupulous banks and lenders. There needs to be compensation paid to all victims of bank fraud. Furthermore victims need to be placed back into the position they were in before the toxic loans were approved.

(A) the current level of consumer protections;

Is there any?, It seems not, otherwise we would not have become victims and there would not be billions of dollars in losses.

(B) the role of, and oversight by, regulatory agencies in preventing the provision of unethical and misleading financial advice;

Are the current regulators doing enough to protect consumers? Our case is in the hands of FOS, so we will wait and see!!

(C) whether existing mechanisms are appropriate in any compensation process relating to unethical or misleading financial advice and instances where these mechanisms may have failed;

If ASIC had been doing it's job in investigating products and ensuring consumers were safe from sellers of faulty financial products, we would not be in danger of losing our own home. ASIC did not warn us of the losses they knew were being incurred around the country.

(D) mechanisms, including a centralised register, that would ensure financial planners found to have breached any law or professional standards in their employment are transparent, for both the sector and consumers;

We have trust in BFCSA to keep an honest register for consumers such as ourselves. We have no faith in ASIC any longer to act in our best interests, and as such believe a Federal Bureau of Consumer Protection be formed of independent people not previously employed by ASIC or any banks.

(E) how financial services providers and companies have responded to misconduct in the industry;

Westpac and other banks continue to provide and manufacture faulty products riddled with trickery as can be seen on our fraudulent LAF. Sellers are just their agents and fill in the paper, and get paid by the bank, but banks approve the loans, knowing the fraud and what impact it will have on the consumers.

(F) other regulatory or legislative reforms that would prevent misconduct;

As members of BFCSA we agree with their proposal to have **all pages** of the Loan Application Form be received at point of signing and that the borrowers be permitted to fill out the forms in their own handwriting. The banks should then send a copy of the final LAF to the customers in a separate envelope without any other documents so they can see the document that was used to approve the loan.

(G) any related matters.

We are only one couple in hundreds of other couples affected by the bank fraud. Without immediate reforms there will be more heartbreaking stories coming out in the media. Consumers need to be warned that bankers are crooks and cheats.

We want Parliament to acknowledge that and agree to a ROYAL COMMISSION INTO THE BANKING SYSTEM.