

Dear Senators,

After the Government being dragged kicking and screaming to the bank Royal Commission and the disgusting and criminal behaviour exposed by the Royal Commission, the Government now wants to disregard one of the Commissioners' major recommendations.

At this stage there appears little impediment to borrowing money, the housing market is booming and retail sales are on the way up, scrapping the responsible lending criteria will only lead to the big banks trapping people into loans that they cannot afford and lead to the banks writing loans just to prop up their profits as demonstrated by the Royal Commission. Nobody should forget the ignominy that the banks displayed prior to the Royal Commission.

My guess is that the Royal Commissioner had little expectation that the Federal Government would pay much heed to the recommendations emanating from the Royal Commission based on his refusal to shake hands with the Federal Treasurer when he handed over the report. The banks are predatory by nature and I have seen no evidence that they have changed in any way, especially when the CEO of a major bank oversaw the breaking of the law, in respect to Austrac reporting many thousands of times, was indeed subsequently promoted to the CEO's position.

This new Bill will in my view will:

***Reduce legal rights for consumers, removing the right to take legal action for compensation for banks breaching responsible lending standards;***

***It will remove many criminal and civil penalties, particularly for banks, which reduces incentives for lenders to comply with good lending standards because it reduces the likelihood that banks will face court penalties for breach of lending standards;***

***It will weaken the credit assessment processes, as lenders will no longer be required to understand the borrower's requirements and objectives for a loan, increasing the risk of inappropriate lending with greater fees or interest.***

I urge the committee to resist the Governments attempt to reduce the Responsible Lending Standards so strongly recommended by the Royal Commission and start another round of Big Bank gouging of its customers.

Yours Faithfully,

Peter Holland.

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