

**22 July 09**

### **Inquiry into financial products and services in Australia**

In late 2006, my wife and I did some property investing with the help and recommendation of a broker/planner Kate Thompson from Mortgage Miracles.

We were given a financial strategy but with encouraged trust of the broker/planner were told "don't you worry I will look after you and handle everything" and were instructed to hand over all dealings for taking out loans against our home, which our broker/planner arranged.

We have found absolutely NO AVENUE government or private, to help us sort out or survive the mess the broker/planner left us in as she has left her company Mortgage Miracles and many victims that she set up into loans that they could not sustain.

After months of struggling alone for answers, our daughter started a support group for all the Mortgage miracles victims and found a consumer advocate to lead the group and on her recommendation we requested to our bank to obtain a copy of the "Loan Application form", which we did not even know existed. Initially the lawyer from the bank sent an "Offer of Acceptance" paperwork which is incorrect and he would know the difference, and over weeks the LAF was deliberately kept from us, we eventually sent copies through a Westpac branch that had had many victims come to it.

We now know they did not wish to send this LAF as they wished to hide the fraud.

Over many different applications to Westpac bank lodged by our broker/planner, we found information we have never seen like signatures of people we do not know, different occupations for us that we do not do and income of \$130k that we do not earn.

Yet on these same papers it showed the correct information of us as pensioners along side the false information. Being such an obvious contradiction on the paperwork, why was this neglected to be checked. Where was the due diligence of the lender?

Until the consumer advocate suggested we get a copy of the LAF document, Westpac Bank must have been hoping we would never know the truth. Westpac Bank have recently back charged us \$11k in arrears interest even though they had advised us that the repayments were on hold and not being charged. They then gave us a vicious phone call stating there would be no more assistance and that they were sending a letter from their lawyer that would state escalating action.

We were not able to pay the mortgage payment even under threat and we politely reminded Westpac of the fraud investigation we were involved with under the Perth Fraud squad that had put on 10 more detectives to handle the case load. Even though we had no legal or financial support from DOCEP (department of consumer and protection) we were 1 of four families out the 60 or more that made complaints

that had endured the process of laying a complaint about Mortgage Miracles, in hope that it may help others that have been caught and have no legal support.

We can state our obvious position of due negligence and neglect by the broker/planner and the Westpac applications accepted, that we also know of a large exposure of victims to Westpac within our support group and that we would be the first of many to be in the same position of escalating action and that we would stand alongside each other and protest and expose the actions of Westpac and not allow them to take our home.

If we had not known about the LAF we would have never known of the fraud that took place. Westpac must have been waiting to quietly let loans that were wrongly accepted with false information to sell up our home and take no responsibility for dodgy lending practices. Westpac Bank created the financial product and the only financial service they gave us was to hand over the funds with no regard for our income as pensioners.

We are now living in our granny flat whilst we rent our home, my wife is seriously ill in Hospital from the immense strain and we are in serious financial hardship and immediate pending action of losing our home. We have worked all our life for our home but as pensioners the loans are impossible to sustain.

Our broker/planner was a certified authorized rep and held a state based broker licence. We understand now that she was paid commission by the lender (or aggregator) as the AFS licence holder. There seems to be some agreement between the bank and the broker/planner, because of the ready acceptance of documents. eg (LAF) with no checking in place to confirm the details on the form. One phone call would have prevented a lot of suffering.

**In conclusion:**

**We want the Parliament to thoroughly investigate the role of the Westpac Bank APPROVING loans to people on low incomes and not checking that the document was in actual fact tampered with after signing and without your knowledge or consent.**

**We would like a full inquiry why the Westpac Bank were lending money to people on low incomes and pensioners such as ourselves.**

**Why Westpac bank created the LOW DOC LOAN AND NO DOC FINANCIAL PRODUCTS and paid broker/planners under the AFS.**

**Westpac Bank should not be trying to profit from a fraud such as this.**

**We would like the Parliament to force Westpac bank to immediately forgive our loans and release our home as security. It also would be prudent to clear our credit history as we have always had a clean history before this.**

We would also like to say thank you to those responsible for establishing this inquiry.

Regards

Bas and Ann de Wit