

Committee Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Mr and Mrs John Osgood

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Inquiry into financial products and services in Australia

In late 2005, my partner and I did some property investing with the help and recommendation of our broker/planner. We were given a financial strategy for our retirement by taking out an equity loan on our home, which our broker/planner arranged.

We are now facing serious financial hardship and the stress of losing our home, which we have worked 40 years for, is impossible to sustain.

Finally on the recommendation of our consumer advocate and after numerous requests to our bank to obtain a copy of the "Loan Application form", which we did not even know existed, and was deliberately kept from us in order to hide the fraud, we were sent a copy.

The banks were lending money to people on low incomes and pensioners such as ourselves.

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.

Our broker/planner was a certified authorized rep and held a state based broker license. We understand now that she was paid commission by the lender (or aggregator) as the AFS licence holder.

In conclusion:

We would like a full inquiry into the banks who created the LOW DOC LOAN AND NO DOC FINANCIAL PRODUCTS and paid broker/planners under the AFS Licence to sell such a monstrous product to people on low incomes and pensioners such as ourselves.

We would like the Parliament to force all banks and lenders to forgive these loans ASAP. The banks should not be trying to profit from a fraud such as this.

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

Yours sincerely,

Mr and Mrs John Osgood