

SUBMISSION
PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS
AND FINANCIAL SERVICES

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As we have been devastated by the collapse of Storm Financial, our details are submitted to assist in the inquiry into Corporations and Financial Services.

My wife and I were clients of Storm Financial for 10 years (originally Jelich/Jones Financial Planning)and around 5 years ago the mortgage on our home had been cleared. We then borrowed against our property over a period to place money in the stock market as strongly recommended by Storm.

These loan drawdowns were arranged by the ANZ Bank, Nambour, Qld branch (our accounts are with a Brisbane suburban branch of the ANZ) as this branch was very familiar with Storm's services. My wife and I have never been interviewed by an ANZ Loans Officer in respect of these borrowings.

On or about 12/12/2008, we received a telephone call from Colonial Margin Lending enquiring if we were aware that we were in margin call, that our shares had been sold in negative equity, that we owed Colonial over \$55,000 and what we were going to do to "fix the problem"?

This was the first contact we had received from Colonial and no correspondence had been received from Storm or Colonial informing us of the situation.

Not only did we have to pay \$55,719.68 to Colonial for selling shares in negative territory without reference to us, Colonial also deducted a break of contract fee of approximately \$20,000.00 from an amount due to us in prepaid interest for the year to 30/06/09.

After payments made to Colonial where actions are considered to be questionable and their fees excessive, we are now left with no shares and a mortgage to the ANZ around \$460,000.00.

Upon enquiring at a local branch of the ANZ in mid February this year, I was informed that as our existing loan was interest only at a fixed rate, any alterations to the type of borrowing would require mortgage insurance and a break fee of over \$14,000.00 would apply.

A further meeting took place at another branch of the ANZ on 04/03/09 to discuss matters further and to seek copies of loan documents which had never been provided to us. After chase up emails, some documentation was received but it was considered that the ANZ was not that helpful and should have supplied additional copies of correspondence.

As the borrowings increased to their current level due to the loan drawdowns arranged by Storm/ANZ, we are at a loss why mortgage insurance was not required earlier.

Unfortunately we were led to believe that due to the close relationship between Storm and Colonial and the measures they had in place to protect clients' interests that we could safely rely on a secure investment which surely was not the case.

This similar partnership also appeared to exist between Storm and the ANZ with loan documents sent to us from both parties for signing and return. It is very disappointing that after the long associations, particularly with the ANZ, our best interests were of no real concern.

Should you have any enquiries please do not hesitate to contact the writer by telephone or at the address, details provided.

Yours sincerely,

Paul Goopy