

Submission to:

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

Submission from:
Christopher & Sally Barnett

Please excuse our ignorance in writing this submission as it is something that we have never done before but felt that to get anything done to stop the Storm Financial happening to others then we need to speak up.

Our initial financial planning appointment was not with Storm but a company called Precise Solutions and our advisor was Anne O'Neil who told us that she had just heard of a company that could provide us with a secure and comfortable retirement plan, we were never looking for a quick get rich quick scheme and we did not want to be millionaires so when we read that most of the ex-Storm clients were in it to "get rich" quick this is just not so. We were led to believe that the plan was guaranteed to save us from having to be pensioners leaning on the government for our pension knowing how hard the average pensioner finds it just meeting every day needs. We just wanted a comfortable income for a secure retirement and that is what we thought we were getting into. We were also assured by Anne that she would never put any of her clients into anything that she would not do herself and when we asked her if she was going into the same plan as us she told us YES!!!!!!!!!!!!!! Now we have to ask ourselves if this is the case.....

We also asked the question of how safe was this portfolio and what would happen if Storm every went into non-existence and once again we were told that nothing could happen to us as everything we had was in our names and even if Storm did not exist we would still have our portfolio and we would not be in any trouble. This was confirmed to us by Anne not more than 6 weeks prior to Christmas 2008 at a meeting we attended at the VIBE hotel in North Sydney and once again Anne told us that our home was "as safe as houses" and that the market would have to drop to "ZERO" before we were in any trouble.

We had an appointment with Anne at the Storm office in North Sydney in August 2008 and we asked her if we should cash up completely given the dropping of the market and she "strongly" advised us against doing this IF we had then we would have been able to not only discharge our margin loan held with Macquarie Bank but also the loan we had with the Bank of Queensland and we would still have our home today instead of having to sell and rent a unit. We would like to know that did the commission paid to the advisors stop once the clients cashed up and if this is the case then we feel we were given completely the wrong guidance by Anne and Storm.

We also believed in the beginning that the monies we owed in the margin loan was the complete amount of our borrowings and we were not aware that the BOQ was a completely different loan until a lot later on and never at any stage did either Macquarie or the BOQ contact us and confirm any of the details that had been given to them by Storm and looking back perhaps we should have been more proactive but if you go to the doctor and ask his professional advice on an ailment that you have you do not leave his surgery and ignore what he has told you and we honestly thought that we were being given the best advice for us by professional financial advisors with no monetary benefit to themselves at all

Bernardine Frawley from Storm was probably our saving grace in as much as she kept in constant contact with us and tried to keep us afloat with as much information as she could and to her we say thank you but we do regret the outcome we have all had and if when all the inquiries are done and it is found that the CBA is the cause of all our demise then perhaps the CBA should be held responsible for not only clients that held accounts with them but to the other clients with other lenders that have now tumbled with the rest.

Regards
Sally Barnett