Or maybe the writing on the wall

Summary:
Public pressure works. Scott Morrison and Josh Frydenberg have been contacted many times about bank crimes. They both have been given case histories. They know have no chance of winning back public trust unless they extend the Royal Commission. Bankers and regulators must be held accountable and victims must be compensated. It's a no-brainer. Josh Frydenberg must contact Bill Shorten and arrange bipartisan support for an extension .... now.

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'You have a case to answer': Treasurer fires warning shot at banking regulators

Treasurer Josh Frydenberg has warned federal regulators to lift their game on policing the financial services industry, warning the authorities have a “case to answer” over scandals exposed by the banking royal commission.

Mr Frydenberg said the investigation into the banks would set up an "opportunity for significant reform" across the sector, as he signaled he would extend the deadline for the final report if commissioner Kenneth Hayne needed more time.

The remarks show the Treasurer, who took the job less than three weeks ago amid the Liberal Party leadership crisis, expects early action from the regulators on the government's changes to laws on banking remuneration and supervision, in the event the royal commission's final report is not handed down until after the next election.

“The banking royal commission now offers a real opportunity for significant reform across the industry,” Mr Frydenberg told Fairfax Media.

“I think the [regulators] need to be more aggressive and I do think there is a case to answer as to how some of this conduct occurred on their watch.”

One proposal now being seriously considered by Mr Frydenberg is **giving the Australian Securities and Investments Commission powers to direct compensation to consumers affected by financial misconduct.**

“Australians affected by financial misconduct deserve timely remediation,” he said.

Mr Frydenberg has taken responsibility for the conduct of ASIC as part of his portfolio rather than leaving it to the Assistant Treasurer, Stuart Robert.

While Mr Frydenberg described the idea of the royal commission as “a bit of populist politics” when Labor proposed it in 2016, he told Fairfax Media **the revelations had been worse than he expected.**

Since February the commission has heard the **National Australia Bank charged fees to dead people**, Freedom insurance targeted customers with Down Syndrome and **AMP repeatedly and deliberately lied to the regulator.**

“We have seen appalling examples of misconduct in a range of sectors within the broader financial services industry and we will await commissioner Hayne’s report and a response in due course,” Mr Frydenberg said.

His remarks about ASIC were aimed at the leadership of the regulator up to February 2018, the point at which the government appointed James Shipton as chairman to overhaul the regulator.

In 2014, former prime minister Tony Abbott reduced ASIC's budget by $120 million. In 2016, the Coalition reversed that decision by announcing a $127 million funding boost over four years. This year's budget will shave $26 million from the agency by the year 2021.

ASIC has come under criticism for only beginning proceedings against the major banks 10 times in a decade and partnering with companies it was supposed to be policing.

The Morrison government has since begun appointing “corporate cops” to patrol the Big Four, increased funding for litigation and is considering forcing an integrity officer on boards after they were accused of gouging their most loyal customers by the Productivity Commission.

“We should not overlook the fact that we have already introduced a significant range of initiatives,” said Mr Frydenberg, signalling more could be done to overhaul the regulator once the royal commission delivered its findings.

The government has already legislated some increased powers over the banks, with the Australian Prudential Regulation Authority imposing rules on remuneration and conduct under the Banking Executive Accountability Regime (BEAR).

Commissioner Hayne is due to hand down his final report by February but the government is

prepared to extend the commission until after the federal election that is due by May.

Mr Frydenberg and Prime Minister Scott Morrison voted more than 20 times against the inquiry between 2016 and 2018 before an internal revolt led by the Nationals forced the Coalition to announce a royal commission last year.

In his first public admission that the government got it wrong this week Mr Morrison said: "I regret we didn't do it earlier."

"I'm pleased it's happening now," he said.

Coalition strategists said they were prepared to apologise every day if necessary.

Take Action Now

Support the BRN Campaigns & Victims of the Corrupt Banking and Finance Sector in Australia.

- Sign the Petition For An Extended Banking Royal Commission
- Find your local Member of Parliament and contact them
- Join in and support the Bank Reform Now campaigns - Follow On Facebook, **Create A Website Account**
- Donate to the Bank Reform Now fighting fund to **help us spread the word**!

Websites For More Information: Source - SMH - Eryk Bagshaw & David Crowe https://www.smh.com.au/politics/federal/you-have-a-case-to-answer-treasurer-fires-warning-shot-at-banking-regulators-20180913-p503g4.html

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