Victims Of NAB Expose The Financial And Emotional Devastation

Summary:
NAB says it's cleaned up its act after claims of dodgy financial advice but now the bank's victims are coming forward with tragic stories about the impact on their lives.

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Meet The Victims Of National Australia Bank's Financial Advice

SABRA LANE, PRESENTER: There was a time when Australians assumed that the job of a financial planner was to give them honest, reliable advice that would be in the customer's best interests.

But the recent scandals that have engulfed the Commonwealth and **National Australia banks have put paid to that. Thousands of clients were given dodgy advice and lost millions of**

dollars in assets and savings.

> The banks have blamed rogue advisers, but a growing body of evidence suggests a systemic problem due to poor governance, lax controls and scant accountability.

We recently learned that NAB had quietly sacked 41 of its financial advisers and compensated 53 clients, but hundreds more customers have received no **compensation and some of the sacked advisers are still in the business.**

Matt Peacock has this report.

MATT PEACOCK, REPORTER: Danielle Wilkie rues the day she ever sought help from one of National Australia Bank's top financial advisers.

DANIELLE WILKIE: We just wanted to do something safe to try and get ahead and thinking that you're banking with the NAB - aren't they one of the top five banks in Australia? So I thought we'd be safe, so, off we went to see him.

MATT PEACOCK: Two years later, she faced financial ruin. She and her husband pulled their twin girls out of their private school and nearly lost their house.

DANIELLE WILKIE: It's - it's taken a big toll, it has.

MATT PEACOCK: And it must have made you feel very upset.

DANIELLE WILKIE: Oh, for years. For years it was a struggle to know that we'd done this to our girls. We - (getting emotional) sorry. Um, yeah, that we weren't going to give them the life that we thought we would.

MATT PEACOCK: Veronica Coulston also became mired in debt, investing her inheritance and taking multiple loans on the advice of the same NAB financial adviser.

VERONICA COULSTON: I started having lots of bills where I couldn't actually pay and I was using my credit card all the time to pay bills and for food and petrol and other expenses, being a single parent and looking after my daughter. So basically I was blowing out completely and I contacted my financial adviser and was letting him know the situation that I was in. And his recommendation was, "I've discussed it with the personal banker and we can just give you an extra $20,000."

MATT PEACOCK: The man who advised both women was Graeme Cowper, then one of NAB's top-performing financial planners.

DANIELLE WILKIE: He was a lovely man. We knew about his kids, we knew about his wife, other issues in his life he would tell us about. He - yeah, he was the best salesman.

Senate inquiry into financial advice PANELIST: And what was he like?

VERONICA COULSTON: Um, extremely confident and well-dressed and quite a big ego from what I could ...

MATT PEACOCK: Veronica Coulston gave evidence about Graeme Cowper's modus operandi to the Senate inquiry into financial advice.

VERONICA COULSTON: Yeah, I was also very vulnerable at that stage and I didn't have any support from anyone to help me make any decisions. And I was going on face value of what he was trying to explain to me.

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JEFF MORRIS, FORMER COMMONWEALTH BANK WHISTLEBLOWER: I actually met him across Veronica's dining room table when he came out to see her, and when I listened to him, of course, **the jargon he was talking was gibberish. And the plan he prepared was absolute rubbish. So the quality of planning is appalling. But, people like that are obviously very persuasive because he was their top planner in terms of sales.** So when I sat down and looked at the plan before we met with Mr Cowper, I went through it and I said to Veronica, "What did he tell you about fees?" And she said, "Oh, there was a $2,200 plan fee and nothing else." And then I showed Veronica the page and I said, "Well here's the fee page in the SOA. There's $10,000 of fees here."

MATT PEACOCK: According to a leaked document written for NAB Wealth's Andrew Hagger last year, "NAB Wealth has encountered and continues to encounter, cases of inappropriate advice and occasionally, rogue advisers". It said in 2010 Graeme Cowper had been, "... terminated for file reconstruction and compliance."

GREGORY MILLER, NATIONAL PARTY SENATOR: OK, you've said that Mr Cowper was moved on. You wrote to his clients - some 407 was the figure I heard, or 430. How many?

ANDREW HAGGER, NAB WEALTH: We wrote to all the clients to let them know he'd resigned. We went to 431 clients and did file reviews on 431 of his active clients.

JOHN WILLIAMS: You wrote to them and said he had resigned?

GREGORY MILLER: Right. And we went and did ...

JOHN WILLIAMS: Was that a push to resignation, as the - Mr Hagger's summary says? Forced resignation. I can quote you from your ...

ANDREW HAGGER: Yes, it was. Yes, it was, Senator Williams.

JOHN WILLIAMS: So you wrote to his clients and said, "He has resigned and left the institution." In actual fact, you threw him out of the door.

ANDREW HAGGER: Well this is my point, Senator Williams. I think that we're saying that our processes of today are different to our processes back then, and with the benefit of hindsight, that letter should have been worded differently.

JEFF MORRIS: The internal bank documents show that he was terminated for file reconstruction. Now in that situation, for the bank to say that they reviewed 341 files is a ludicrous statement. It's quite clear they did not speak to the clients, and so, how do they know that they could rely on anything that was written in those files?

MATT PEACOCK: Graeme Cowper's continued to give financial advice since his departure from NAB, most recently for the AMP company IPAC, which says since this the leak of the NAB document naming him, he's been on paid leave while his cases are reviewed

This morning, we tried to put some questions to him at his home.

GRAEME COWPER (on intercom): Hello.

MATT PEACOCK: Hello, Mr Cowper.

GRAEME COWPER: Yes.

MATT PEACOCK: Matt Peacock here from ABS 7.30.

He refused to be interviewed but told me all the allegations are false and he'd be making a statement in due course.

JEFF MORRIS: **They trusted him I think because they trusted NAB. It's a big institution; it's the same with CBA. People trust the big institutions. And these people are representing those institutions and the institutions turn them loose, but the advice was appalling. In every case that I've seen so far, there's been excessive gearing, far too much borrowing that people couldn't service and substantial losses that have ruined people's lives.**

MATT PEACOCK: Before the Senate hearing, NAB's Andrew Hagger apologised to Veronica Coulston.

ANDREW HAGGER: Her treatment by NAB was not fair and she should not have been treated that way.

JEFF MORRIS: **Some clients I know who've complained were turned away with nothing. They've complained about Cowper. NAB knew he was a rogue planner, NAB knew he'd done the wrong thing, but because these clients weren't forceful enough to push their argument, they got nothing. And I would say that the rest of his clients who didn't complain were never contacted.**

DANIELLE WILKIE: **They shouldn't be allowed get away with it. ASIC, someone has to be in control of what these banks put people into. You know, we're not the big rich people that can afford to lose the money that we lost. Who takes care of the little people?**

MATT PEACOCK: Danielle Wilkie and her husband did receive compensation from NAB, but it was only a fraction of what they've lost and hundreds of others advised by Graeme Cowper have received nothing.

DANIELLE WILKIE: I just want what the money that we had to put on our mortgage back. And I just want to be back to the day that I walked into their office financially. Emotionally, I don't think there would be no amount payable to fix the harm it's done for the last seven years. But if I could get back to where we were before we walked into those doors, that would be - that would be nice.

MATT PEACOCK: This month, the Federal Government's new register of financial advisers comes into action, designed to alert the public where concerns exist, but Graeme Cowper won't be on it.

JEFF MORRIS: He simply won't show up because he was never banned. And nor will, it would appear, any of the other 40 planners who were bad enough for NAB to either sack, or, as they put it, "move on".

DANIELLE WILKIE: From meeting him, **the last seven years has been the worst, financially, emotionally, years of my life. I'll never get them back. I'll never get them back for my children, seeing how upset they are when they see me so upset and it's just 'cause its money and - yeah, it's not fair.**

SABRA LANE: Matt Peacock with that report, produced by Jacquelyn Hole.

Websites For More Information: Meet The Victims Of National Australia Bank's Financial Advice
http://www.abc.net.au/7.30/content/2015/s4200360.htm
NAB And Its Dead-Parrots Society
http://www.smh.com.au/business/comment-and-analysis/nab-and-its-deadparrots-society-20150312-142cja.html

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