Bankers continue to play games in the battle for compensation

Summary:
The delay, deny, deceive routine has had its day. It's now twelve months since Commissioner Hayne put out his final report on the Banking Royal Commission. It's no secret that banks behave badly. The secret is that despite all the revelations many bankers are still trying to mess with the minds of victims and avoid paying proper compensation. The game playing days are also over. Victims are giving their banks accurate, helpful and informative material and the staffers involved just can't handle it so they ignore it or respond inappropriately. What are they thinking? That we'll forget about it? That we'll give up and go away? That we'll take a token offering to shut up?

This article from The Australian's Joyce Moullakis highlights the types of cases that the Royal Commission deliberately ignored. How long before the banks start treating their customers with respect? The delays in settling the some of the most serious legacy cases is now beyond outrageous.

Article Information**Category:** BRN In The Media
Bank Malpractice Type: Predatory Lending
Unconscionable Conduct
Author: Joyce Moullakis
Source: The Australian
Date First Published: 3 Feb 2020

Posted ByPeter Brandson
3 Feb 2020 - 7:22am



Bank customers suffer as disputes drag on .... and on

Longstanding aggrieved bank customers say the royal commission did little to help their plight in seeking redress, as many take stock a year after the landmark Hayne report was made public.

In 2018, commissioner Kenneth Hayne heard shocking revelations and personal cases of bank customers being poorly treated or slugged with inappropriate fees and charges.

The case studies included several former Landmark customers who had homes repossessed during periods of drought, after ANZ acquired the loan portfolio. Another case had Westpac allowing a legally blind pensioner to guarantee a business loan for her daughter, which later soured.

The misdeeds fleshed out at the royal commission have the big four banks paying out more than $8bn in customer compensation, and that figure will likely increase.

But while the commission put a spotlight on the banking industry's shortcomings, it hasn't helped a lot of customers who are entangled in long-running disputes.

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Dr Peter Brandson

This general practitioner, based on the NSW south coast, has seen this first-hand via the Bank Reform Now group he founded.

"The royal commission was very limited. I have personally handed each major bank CEO significant legacy cases," he said.

Dr Brandson said while some cases had a degree of success, the most serious were "dragging on". "The banks are trying to coerce and manipulate victims into an unsatisfactory settlement," he told The Australian.

"Commonwealth Bank has probably been the best of the lot (at negotiating) but (is) still very keen to avoid liability on the big-ticket remediation.

"National Australia Bank is the worst. They're playing hardball with very little consideration of the effect on victims."

Dr Brandson is also negotiating with NAB regarding his own case.

"NAB was engaged in predatory lending and unconscionable conduct, writing a loan to a family member who couldn't afford it."

Like its rivals, though, NAB has worked to settle a proportion of cases in the past 12 months.

At the annual general meeting in December, NAB chairman Philip Chronican said the bank had remediated, or made offers for compensation, on a "significant number" of legacy cases.

"We had something like, some 48 longstanding cases that had quite a lot of complexity to them," he said. "Approximately 20-odd are either resolved or on the path to resolution.

"There are still some legacy cases where we do not agree with what is being argued."

In late 2018, NAB appointed former Victorian premier Jeff Kennett as an arbitrator for long-running customer disputes. The process came to a halt when a large number of customers refused to deal with Mr Kennett.

Several banks have now adopted model litigant principles and policies that cover how they deal with claims and include minimising delays in proceedings and not taking advantage of claimants who lack resources to litigate.

Dr Robert Cooke

Dr Cooke, a senior consultant orthopaedic surgeon in Queensland, has a dispute with CBA that dates back to the 1990s.

His case centres on CBA calling in his loans — which were already approved and funded from its Brisbane office to set up priority emergency centres — after telling him they were not signed off by Sydney head office.

Despite Dr Cooke's attempts to salvage the finance by having an associate tip in millions of dollars, the CBA decision set in motion a chain of events that led to him losing his business interests as well as his home. According to Dr Cooke, he had never missed a loan repayment.

"I was involved in a lot of important orthopaedic work and I've been left with nothing," he said, noting he has had to continue working even at almost 82 years of age. Dr Cooke believes the royal commission and meetings with CBA boss Matt Comyn have done little to help his case.

Dr Cooke's dispute file also cites bullying behaviour and tactics used by CBA and its receivers.

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Involved in the dispute was Ross Griffiths, a former CBA manager who was known as the bank's ''corporate hitman".

The Australian does not suggest the allegations against Mr Griffiths are true, only that they have been made.

A CBA spokesman said the bank had met with Dr Cooke and reviewed his case "a number of times" over the years. "These reviews have not found any evidence of wrongdoing by the bank or any of its officers. We have committed to undertaking a further review of the files that we have, including the information passed to us by Dr Cooke."



Surgeon Robert Cooke has been fighting the Commonwealth Bank for years over a dispute that left him bankrupt. Picture: Sarah Marshall

Michael Sanderson

Michael Sanderson is in dispute with Bank of Queensland about the rolling over of a business loan and several valuations of his property that secured it.

According to his case file, he did not miss any repayments and wanted to extend the facility for a further five years before BOQ decided he was unable to service the debt. Mr Sanderson did not agree with that assessment and also questioned why there were huge variations in the valuations the bank did on his rural property.

An independent report commissioned on his behalf by the Australian Small Business and Family Enterprise Ombudsman raised questions about the valuations, including that the reporting format was "more appropriate" for urban properties.

On a separate matter, BOQ had taken legal action in 2011 against one of the valuers involved in Mr Sanderson's dispute, Propell National Valuers. It is unclear whether it was resolved.

"Hayne has let us down. The fundamental issue is we don't have redress," Mr Sanderson said. "The only reason they (BOQ) engage is I turn up to the House Economics Committees or AGMs ... I have been respectful, logical and factual."

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He subsequently lost his property and continues to battle BOQ over their handling of the matter.

Mr Sanderson is awaiting a preliminary assessment report by the Australian Financial Complaints Authority, which is expected to land this week.

A bank spokeswoman said: "BOQ has at all times sought to work with Mr Sanderson to settle the issue."

BRN Comments

We thank Joyce Moullakis and the Australian for their tireless efforts in exposing the way bankers are operating.

Also see below for the BRN assessment of Hayne's Royal Commission - just as relevant now as it was twelve months ago.

Websites For More Information: Source - Joyce Moullakis - The Australian - Bank Disputes Drag On Despite Inquiry
https://www.theaustralian.com.au/business/customers-suffer-as-bank-disputes-drag-on-and-on/news-story/fd5636f85dc4e88b57fb66cf1e6b693d

Related Links: Hayne Covers Up More Than He Reveals
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