

David Pham and Family

Date: 24-10-2018

To: Royal Commission

Re: Public Submission – Round 6 (Insurance Issues)

Dear Sir/Madam

Thank you for the opportunity to submit our concerns to The Royal Commission.

In response to the written closing submissions of Counsel Assisting dated 26 September 2018 as well as transcripts of the Commission's public hearings from Round 6. We write to outline our concerns as follows:

1. Claim handling issues identified:

We highly support the submissions on findings of misconduct by failing to handle clients' claims in an honest, fair and transparent manner. Namely, inadequate of records keeping, especially records those are against insurers.).

Similarly, we have experienced with [REDACTED]

Claim handling staff did not keep records of any conversation when we have called to its landline.

Regarding our statement about the insurer accepted the claim; we were not only relying upon the appointment of a loss adjustor but also relying upon the telephone conversations with [REDACTED] on 5 May 2017 and 22 May 2017.

When this issue raised with FOS, [REDACTED] representative responded:

"We have been unable to locate any notes of any conversation between the Applicant and Ms [REDACTED] on 5 and 22 May 2017."

Regarding the plumber's report, we have particularly requested the plumber's report which is arranged by broker/insurer numerous times. From our record showed that the requests had been made on the days of 5 June 2017; 7 June 2017; 8 June 2017; 9 June 2017; 19 June 2017; 20 June 2017 and 21 June 2017.

However, [REDACTED] said *"We have been unable to locate any documentation showing that the Applicant asked [REDACTED] or [REDACTED] to complete a further plumbing report in June 2017."*

These statements were serious lack of responsibility and completely unacceptable. Frankly, [REDACTED] should be able to provide relevant information (including all information that may be against them) to help authorities to consider the dispute.

2. Exclusion clause issues identified:

We highly support the submission on available findings of conduct falling below community standards and expectations. They have been completely unfair terms.

In our case, we held a landlord policy with [REDACTED]. The property was completely trashed by tenants. We made a claim under our landlord insurance policy on 24 April 2017.

When lodging our claim, the insurer representative has accepted the claim and appointed a loss adjuster. But a week later on, it has sent another building inspector to us thereby refused to pay.

[REDACTED] subsequently denied our claim on the basis that the damages were excluded under the policy terms and conditions.

We have found that the exclusion for cover due to inherent *defect with the construction works of the property* was so unfair! It would be impractical and unreasonable for the average person to know the inherent defect with the construction work of the property.

What is the point of purchasing landlord insurance when you are not protected in relation to tenants' actions or wrongdoings (e.g., Tenant caused the floor collapsed and quickly returned keys, like "hit-and-run" cases) which destroy your home completely?

Also, it is important to realise that if inherent defect with the construction works of the property was the case, We have raised an important point that why does it not occurs to other tenants' house whose are still living at the back of this same building?

This property is all we have and worked very hard for it. We took on the landlord insurance with utmost good faith. Our broker/insurer has accepted the risk. When we need it most, it is abandoning us.

We have been struggling from the monthly repayments on the mortgage due to loss of rental income. Now we are receiving the builder's massive quote (\$145,200) which we could not afford.

3. Dispute resolution failures

We generally agree with other submissions to The Royal Commission regarding Internal and External Dispute Resolution failures.

We had lodged this dispute with FOS on 14 February 2018 (Case Number: 515360) and received the unfavorable determination on 21 September 2018.

During this FOS's process, we have been finally advised that it is important to get a plumber's report to get to the bottom of the cause of damages.

However, when we received the determination, the plumber's report was overlooked; among other things, we have had to raise a number of issues and request it to be referred to its internal review as follows:

- a) Have FOS received the plumber's report which Mr [REDACTED] (FOS Officer) had requested it from the property manager ([REDACTED] Real Estate Agent)?

- b) Why this important plumber's report was not included in the determination?
- c) If FOS did not received the plumber's report, why does it award [REDACTED] a favorable outcome?
- d) FOS failed to penalise [REDACTED] when it failed to provide the plumber's report as per agreed during the Telephone Conciliation Conference dated 23 May 2018.
- e) FOS failed to take into account many key concerns raised during various correspondences between applicant and [REDACTED]
- f) Why does it take too long for the determination to be released? This had effectively affected our chance to submit our case to The Royal Commission.

A positive moving forward approach may include:

1. A thorough investigation and practical redress for the victims
2. A robust regulation body/bodies that have power/ jurisdiction to impose a greater consequences (e.g., imprisonment) for those fail and/or deliberately undermine with financial services laws.
3. Encouragement, protection and reward to whom reports the noncompliance and/or breach of the financial services laws.

If you have any questions about this submission, please contact us on [REDACTED] or alternatively on the email address of [REDACTED]

We are very grateful for your valuable time and considerations.

Yours faithfully

David Pham and Family