

Banking Royal Commission Submission – Insurance.

I, [REDACTED] am making this submission to the Banking Royal Commission on policy issues relating to the insurance industry, more importantly, the insurance that is offered (compulsory) through superannuation funds.

My complaint is that I received insurance from [REDACTED] Superannuation every year up until June 2016, although I believed I had transferred my superannuation to another fund (in 2008 / 2009) and therefore the account had been cancelled.

I only knew that the account was still opened when [REDACTED] sent me a letter saying that if I wish to keep my insurance valid, I would have to pay as there was not enough funds in my account.

As I had moved several times since 2008, I asked “how did you get my address?” they replied that they matched my account with the ATO to my address at [REDACTED]

I have provided my version of accounts below. I cannot provide statements prior to 2016 as I did not receive any and what statements I had prior to 2009 were stolen when my house was broken into in Jan 2016

Time line

Pre October 2008 – Working at [REDACTED], a subsidiary of [REDACTED]

Superannuation fund – [REDACTED]

Living [REDACTED]

2008 – October / November

Leave [REDACTED]

Join [REDACTED]

Fill in [REDACTED] pay details, bank account, tax file number and super etc.

[REDACTED] have default super fund as Cbus.

As I previously had a super account with Cbus, decided to move back to Cbus.

Filled in paperwork to put super contributions into Cbus and paperwork to transfer super from [REDACTED] to Cbus, used account number I had.

2009 – Mid to Late Jan

Move to [REDACTED]

Advised from payroll that the Cbus account number I had provided was inactive / quarantined.

Cbus opened a new account.

Remember receiving a letter saying that money had been transferred over into my new Cbus account. (Took as the balance from [REDACTED]). Hindsight now shows that the letter I received was from Cbus notifying of the internal transfer of funds from my quarantined closed account to my new account.

March 2010 – Move to [REDACTED] for a job and to assist mother with care of my father who was in failing health. Maintain Super at Cbus

2010 – 2014 various jobs due to down turn in the construction industry, 12 months on Centrelink payments.

2014 – Get a job in the maritime industry and transfer Cbus super over to Maritime Super.

June 2016 – receive letter from [REDACTED] saying that if I wish to continue receiving insurance I will need to put money into my account.

When I received this, I was absolutely shocked as I believed that this account had been closed and the money had been transferred in Dec 2008 / Jan 2009.

I contacted [REDACTED] and asked how they got my address, this is when I was told that they had contacted the ATO and matched my details.

The same day that I received this letter, I received confirmation that I was being made redundant as a [REDACTED] and that our jobs will be outsourced to a foreign crew.

I have not done anything until now due to not being in the right head space and thinking that nothing can be done. It was a former worker who told me that submissions are still open for the RC and should lodge a complaint if I meet the criteria.

23 October 2018

Contacted [REDACTED], changed my contact details as I am now living in [REDACTED]. Provided phone number, email address as they did not have these on file. Advised them that I have a complaint and if I can't get an outcome I am happy with before closure time for submissions with RC, I will lodge a complaint.

It is now being looked at by their complaints department but may take some time. They would not give assurances or promises on anything by the time submissions close, so I am lodging this complaint

I will admit, at the same time I changed jobs, super funds and transferred super from one fund to another, I did move house from [REDACTED] to [REDACTED] and I did not chase up with [REDACTED] to confirm that the account was closed. (I thought the transfer had gone through and account would be closed automatically)

[REDACTED] told me that they had sent out statements every 6 months, but due to my moving I did not receive the Jan 09 onwards.

I was also told that the last employer contribution was 2008. Monthly administration fees along with monthly adviser fee were being deducted.

[REDACTED] also advised me that in 2012 they had a return to sender for my statement.

June 2016 [REDACTED] matched data with the ATO and then send out insurance invoice to [REDACTED]

My complaint is about the bad policy and the treatment of compulsory super as a way to sell insurance for totally profit making purposes.

I have asked [REDACTED] the following questions.

As NO employer contributions were going into account, why didn't you contact me? They said the sending out of the report was the notification.

Over 12 months passed, NO employer contributions placed, adviser and management fee and renewal of insurance coming out, yet [REDACTED] did not match details with the ATO. They reiterated that sending the report is the form of contact that they make. I told them that I was not at the address they had

2102 – [REDACTED] has report returned to sender, yet adviser fees, management fees and insurance still comes out.

In 2016, [REDACTED] match my data with the ATO and sent me an invoice for insurance at [REDACTED] [REDACTED] if I wish to remain covered. I told them that I had been at this address since late 2010 and I had lodged a tax return every year and that the ATO would have had my details.

Questions that need to be answered, with advisor and management fees coming out monthly and insurance yearly, why did it take till 2016 to match the data with the ATO, even after receiving a RETURN TO SENDER in 2012.

I would say that the monthly fees are for service not delivered. If it was for serviced delivered, then someone would of matched data with the ATO earlier because they would of seen that money is coming out and there are NO employer contributions coming in and haven't come in since 2008 and asked, "Is this person still alive?"

I had an insurance cover that I did not know I had, so therefore was never going to make a claim against it, most likely not eligible to claim against if I was.

My complaint is that [REDACTED] had visibility that NO employer contributions were being received, they were taking out monthly fees to administer my account, yet they kept providing me insurance, even after they had additional verification that I was a "lost account" through the return to sender in 2012.

If I received service for my superannuation that I was paying for, I would have been matched with ATO sooner (1 year = 4 compulsory contributions from employer) and therefore would have closed my account. Would not of paid insurance and all the service and management related fees.

Hopefully this falls into the category you are asking for, as every super fund has insurance coming out, every fund has management fees coming out.

A recommendation for the Royal Commission could be that employers pay superannuation at the same frequency that employees are paid and that super funds verify location of the account holder every financial year.

The paid every 3 months was bought in when super first started and businesses used cheques and cash, not electronic payment. This would allow employees to track their super easier. Most supers allow online access these days.