

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

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Submission for: My Self

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Commissioner Kenneth Hayne's interim report of the Financial Services Royal Commission cites the precedent of the *Glass-Steagall Act*, and seeks submissions on questions of the structure of regulation and the structure of the banks.

Unsurprisingly, the vested banking interests and their political supporters oppose structural separation, which is in itself evidence that the banks wish to continue their greedy, corrupt, gouging behaviour and must be broken up.

Virtually all of the misconduct examined by the royal commission stems from the banks being too-big-to-fail conglomerates of multiple financial services businesses.

If commercial banks were separated from investment banking, they wouldn't be able to do the trading in securities and derivatives on mortgages which made them lower their lending standards and even commit fraud so they could increase their mortgage lending.

Without the incentives to concentrate most of their lending into speculating on the housing bubble, they would have more interest in lending to, and looking after, their small business and farm customers.

If commercial banks were not "vertically integrated" with wealth management, stock-broking, insurance and superannuation, they wouldn't be able to 'upsell' and fleece customers with financial advice that lures them into buying products and investments from the other businesses that the banks own.

If the banks were broken up, and commercial banks were only allowed to take deposits and make loans, and kept separated from other financial services and speculation, the financial system would be much simpler, and therefore the regulators would be better able to do their job. The banks would not be too big to fail, so APRA would not be able to use "financial stability" as the excuse for allowing the banks to get away with the shocking greedy, corrupt financial murder that has been exposed.