

**SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT**

Submitted By: Peter Hagen

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

During the 80's and 90's when seeking housing loans I was astounded that there was a "standard" clause saying that banks could alter the conditions of the loan contract anytime they wanted to. When I queried this I was stonewalled or fobbed off and I signed anyway as I needed the finance. If signing on to a variable rate I do understand that interest rates can be changed in accordance with the current cash rates etc., but the open ended nature of the clause did cause me concern at the time. How can a contract between two parties be changed at any time by one side and still be a valid contract? My understanding is that this sort of thing still happens and may also be part of the conditions for depositing accounts. Does anyone really know what all the terms and conditions really mean with their bank accounts?

I would like the Royal Commission to investigate how contracts between ordinary members of the public, who do not have extensive legal departments behind them, are worded and whether the wording of these contracts amounts to unconscionable and unfair or even deceptive behaviour. The history of this going back such a long way is a sign of a culture that believes it is a law unto itself. Because of this the banks need to be supervised by an authority that is not paid for by the banks. APRA as such has no credibility as it is being paid for by the banks. We need government to step in and regulate rather than be asleep at the wheel. Government could do much by simply installing a Glass Steagall type of legislation to separate domestic banking from investment banking. Because of this the Royal Commission could almost investigate failures in the banking system by investigating the lack of government will in the area of regulation.

In summary:

- Investigate contracts (loans and deposits) written by the banking industry
- Recommend Glass Steagall legislation
- Investigate lack of government regulation and oversight over the last 20 years

Peter Hagen

18 October 2018