

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

Submitted By: David John Cridland

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:

To Mr Hayne,

The only way to fix the banks is to break them up through a Glass-Steagall separation of traditional commercial banks with deposits, from all other financial services.

Please also investigate APRA's bail-in powers, and the banks' ability to change the terms and conditions of deposit accounts without notice, to allow APRA to order a bail-in of deposits. Please investigate the [Financial Sector Legislation Amendment \(Crisis Resolution Powers and Other Measures\) Act 2018](#) and the banks' powers to arbitrarily change their terms and conditions. A Treasury official said last week that this should be taken up with the royal commission.

Digital Finance Analytics' Martin North and economist John Adams revealed the following recently. That although the terms and conditions of bank deposit accounts do not include explicit terms that allow for conversion or write-off, they do include a catch-all provision that allows the banks to change their terms and conditions any time, to include anything they want, and without advance notice. Moreover, the banks cite "regulator guidance" as one reason for doing so. In other words, APRA can order the banks to change the terms and conditions of their deposit accounts to allow for a conversion or write-off, and a bail-in of deposits would be legal under the APRA crisis resolution powers law.

Regards

David Cridland