

## SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

**Submitted By:** Douglas Humphries

**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:**

I am 70 yrs semi retired engineer. I have seen the rises and falls of the availability of credit over my lifetime. As a young engineer in the mid 1970s I was able to buy a home for 2/3 of my annual salary. Obtaining a loan at that time required advice from the bank which was taken to be part of one's own due diligence. The banks then cautious approach was an important indicator to a prospective borrower. Recent decades have seen banks change to "marketing money" on a commission basis and the debt to income ratio has exploded to unsustainable levels putting housing out of reach to young families unless they take on high risk debt. The result has been an irresponsible debt bubble which is now so bad that depositors are now at risk with "bale in" provisions in the fine print.

Markets will only work if the participants are informed of returns, long term costs and risks so they can do the due diligence that is being asked of them. The lessons of the GFC regarding the packaging of sub-prime mortgage debt to deceive lenders as to the risk they were being exposed to is clearly being revealed by the Royal Commission.

I request that the Royal Commission make recommendations to put in place regulatory structures that separate products with different risks so that customers can assess the risks and make appropriate decisions. The clients who take those risks must be required to accept the consequences of things going bad otherwise the markets will not work properly.

In retirement I cannot afford to take the risks I have in the past but the current system does not provide for truly guaranteed deposits.

I specifically request that Glass- Steagall - style banking separation be recommended by the Royal Commission as part of the measures to address the problems being revealed by the Royal Commission.

Yours Sincerely

Doug Humphries

Make your submission to the Banking Royal Commission (Deadline 26 October):

<https://royalcommissioninterimreportw...>