

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

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Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

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Your submission:

Dear Sir

It is apparent from reports thus far that many innocent people have been conned and/or, at the least, poorly serviced by employees of the banks. I submit that this is in large part is due to the current interconnections between the commercial banks and the investment banks.

Most people, and especially those without a great deal of experience in dealing with financial resources, are uneducated about the financial world, the multitude of various types of investments and the risks thereof and/or their suitability to their needs. For most of Australian banking history in Australia, these people dealt only with the commercial banks, invested their money primarily in bank deposits and borrowed only for housing, vehicles or business equipment. With the development of more integration between commercial and investment banking, these customers (the majority of the population) have been more and more exposed to the dangers of the more sophisticated and/or complex financial products previously only promoted to the more sophisticated higher wealth customers.

To protect the great majority of the bank customers-and we have seen in the results thus far of the banking commission that many need protection- there needs to be a legal separation, commonly referred to as a Glass- Stegal separation, between the resources, investment modes and types of customers, of commercial and investment banks. A Glass- Stegal style of separation of the types of banking would automatically protect all those customers who would still pass through the doors of commercial banks but would not then automatically become "fair game" for the more apparently predatory salespeople for the more sophisticated financial products.

Everyday Australians need your help to protect them from investing in the wrong, riskier products.

Separate commercial banks -for the majority- from all other institutions which sell more sophisticated, risky products. The sophisticated customers can find their own way to the sellers of riskier financial products. We need you to protect the vulnerable, unsophisticated customers.