

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

Submitted By: Janette Townshend

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:

NDA's

Non Disclosure Agreements - Time limit!

Because the Banker and client relationship is so unique the NDA obligation can be abused. The Bank has the full financial information of the customer and therefore the financial upper hand and knowledge of their resources. The cost to litigate and for how long the case will take will be easily known by the Banker. They will be able to determine when the client's funds are reduced and therefore their ability to go to the next court level etc. and the point at which the customer is likely to settle the dispute. This will depend on money resources and not the justice of the case.

A better solution would be to make a 'time limit' for the ability to have NDA's in place. Once a client starts legal action or the Bank starts legal action a NDA cannot be binding. This is because the customer's financial position may have been reduced to have to settle due to legal fees from the case. Prior to the commencement of legal action an NDA could still be put in place.

In this way the dispute needs to be more carefully considered prior to commencement of legal action. This should apply to commercial and consumer levels but may have a cap for larger companies who do not need the protection due to larger financial resources.