

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

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Submission for: Another Person

Name of other person, business or organisation: 'Life. Be in it.'

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Your submission:

The Interim Report raises questions about measures to redress and prevent the recurrence of the situation in the financial industry - other than adding more regulatory levels and threatening access to financial services from those who lack the resources to match the demands of the major financial institutions.

This brief submission seeks to draw the Commissioner's attention to the gap between measures that identify the concerns of complainants and the impact of the BEAR in addressing the conflict of interest between a regulatory focus on shareholder interests, viability and stability of the financial services and the focus on trustee responsibility to act in the best interest of customers, consumers and the community.

We seek to draw the Commissioner's attention to the inherent bias of analysis of victims, complainants and those who are in a position to benefit from the services of financial institutions that is based on reporting and monitoring of bank and superannuation records against the role of these institutions under a social license to serve all of the community including those on welfare, low incomes and in remote and isolated communities that are unable to benefit from the organisation of the financial services systems by virtue of their degree of social exclusion, isolation and ignorance as well as the pattern of structured rejection of their requirements because they are regarded as of low commercial value by these financial institutions.

Our research, conducted by Roy Morgan Research indicates that 86% of bank customers are satisfied with the service that they get from their banks with 40% very satisfied and 48% satisfied compared with only 5% saying that they are dissatisfied including only 1.4 % indicating that they are very dissatisfied.

The more significant finding is that 70% of the population aged 14+ years indicate that they have an account with the four major banks that have been the focal point of the Inquiry with 82% of them saying that they satisfied with 34% saying that they are very satisfied and 48% saying that they are fairly satisfied. This indicates that 3 out of ten customers are served by other financial institutions and their level of satisfaction is not taken into account when only the responses of those with accounts with the four major banks determine the way to reduce a focus by the BEAR on bank executive remuneration and not on community wide satisfaction with financial institutions.

An examination of the situation of those in the most at risk categories and the greatest impact of tighter lending and financial service experience indicates that they have lower levels of satisfaction and four times as much dissatisfaction but their views need to be taken into consideration if any regulatory reviews. Those totally outside of the system that are most at risk of chronic disease need to be considered

We request that the Commissioner give consideration to expanding the role of BEAR and APRA to obtain quarterly assessments of the level of satisfaction and dissatisfaction of ALL significant financial institutions including pay-day lenders, short term financiers and other finance providers who fail to provide advertised information concerning risks, interest rates and consequences of their financial practices designed to give greater profits and lower information to the most vulnerable sections of society with the least capacity to have their situation considered.

Morgan Research should be approached by the Commissioner to identify the financial situation and responses to the operation of the financial services industries using historical data to provide the evidence of the impact of failure to provide accessible, independent assessments of the quality and accountability of these institutions.

