

In my role at The Banking and Finance Oath I spend a considerable amount of time talking to people who work in the industry. Being an independent initiative driven to encourage the continuous improvement of ethical behaviour, my conversations are nearly always about the rights and wrongs of financial services from the practitioner's perspective.

The Royal Commission is focusing on behaviour that has not been in line with customer's expectations and has identified a lack of accountability and remuneration as a couple of factors, amongst others, that may be responsible.

I would like to highlight an area where I think people working in the industry are being prevented or ignored when they try to do the right thing and be accountable and remuneration plays a role.

I have heard this story three times and saw a report the other day in the AFR (below) which spurred me to make this submission. The issues were in risk and more often, compliance.

People call out behaviour, raise red flags and try to escalate issues of concern. These are people who are trying to do the right thing, trying to do their job well.

They are then either ignored or if they persist, managed out; forced to sign a Deed of Release and given compensation to soften the blow. These people aren't physically forced, but they are in a vulnerable position, they're losing their job and sense of security and feel they have no choice. They also don't want to travel the path of a whistle-blower, which risks ruining their career. Adding salt to the wound - taking the remuneration can be cause for guilt, but with no immediate prospects of work, a person can feel they have no choice.

It appears that the Deed of Release document is being misused. Rather than looking after the interests of the organisation by safe guarding IP, preventing an employee from making an unfair dismissal or general protections claim, these stories suggest the document is being used to hush people up and bury news that may expose undesirable issues.

There were times when the Royal Commission revealed information that had people surprised that the behaviour could happen without people knowing. From the behaviour I've outlined above, it would suggest that people did know, but chose to say nothing. Driven by self-interest, burying unwanted news, not being accountable, not escalating or addressing systems has contributed the cultures of today.

A deed cannot restrict the employee from accessing their statutory rights, for example, their right to make a claim for workers' compensation or superannuation, otherwise it may be set aside on the grounds of illegality;

- My recommendation would be that another clause is added which states a person still retains the right to speak to a regulator.

I realise there are whistleblowing programs at both APRA and ASIC and within institutions themselves. This is not an idea to help those doing the right thing but rather a legislated 'nudge' to prevent people from doing the wrong thing. A clause that will hopefully demand an environment where issues that are raised are welcomed and addressed. A clause that may cause those driven to cover themselves or progress their careers at any cost to self-select and leave the industry or undertake some serious reflections and do the right thing.

If managers continue to be enabled and given the discretion to manage people out when they receive news that may jeopardise bonuses, promotions or even approval - ultimately the customer suffers. These people are then promoted, become more powerful and land in a position that has serious impact on the culture more broadly.

And of course, the banker that tried to do the right thing, that has integrity, is punished. The message to everyone else is appalling.

I have to finish this by saying I really believe most people want to do the right thing. I hear many more positive stories from people who want to be proud of their industry and who have integrity, granted they have taken The Banking and Finance Oath.

Thanks for your time and the opportunity.

Cris Parker

