

Stephen Weller - Royal Commission

RESPONSE TO INTERIM REPORT (ROUND 3)

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LENDING TO SME'S

Lending to SME's should fall within the reach of the NCCP Act with a threshold up to \$5M. These consumers require as much assistance and recourse as possible.

CODE OF BANKING PRACTICE

The Code of Banking Practice (CBP) contained provisions in Part C Clause 3 "Our Key Commitments to you" and also Part E "If you are experiencing financial difficulties with your credit Facility".

Severe penalties should apply to banks and their officers when the CBP is disregarded with impunity. This is the only way to ensure that organizations and their employees will know that if they act with malintent they will be treated harshly. Malintent includes a determined course of action to the detriment of a customer.

GUARANTORS

You (The RC) assume that bankers exercise "care, skill, diligence and prudence". That has been shown to be non-existent.

Guarantors usually have to confront a mindboggling document of General Terms and Conditions as well as a Guarantor document.

Clear concise and plain English documents are required. They need to be connected to the CBP expressly. The Guarantor should be afforded all the protection and observances of due process as the original Borrower.

All parties should be afforded a responsible amount of time to come to terms with any potential action by the Lender.

AFCA & FOS

If there is to be change then it has to be that these types of entities are independent of the Lending fraternity and funded differently

BANK'S CONDUCT

SUMMARY

No customer, especially those performing their obligations, should be demonized and pursued like a criminal in a legalistic vacuum when they have done nothing to precipitate action by the bank. This is especially so if an LVR is the only mechanism for the bank to rely on and all other obligations relating to payment of interest and principal are being performed.

The RC needs to address this. It also needs to hear more submissions and therefore to extend these proceedings. The losses not yet heard are indescribable particularly as to the actions of the lenders and receivers. This Round 3 has been very shallow and its focus purely on the legal aspects not the actions of the lenders and their personnel who should be named.

