

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

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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:

To The Financial Royal Commission, It is my belief that the ordinary bank tasks, taking deposits & arranging mortgage loans, should be separated from Investment Banking, which from my point of view, more resemble Gambling Casinos. Obviously the needs of investment banks conflict hugely from those of commercial banks, resulting in operations which result in much higher levels of risk than the ordinary retail/commercial bank user would expect to be exposed to. If a "vertically integrated" bank loses on its investments, and becomes bankrupt, it is no fault of the ordinary depositors, and they should be protected from losing their deposits, which could represent many years worth of work. Separation of retail/commercial banks from Investment banks looks like the best way to ensure the public's enduring trust in banks remains justified. Any other path into the future may result in a complete loss of faith. If the government were to guarantee the safety of bank deposits, but only in the retail/commercial banks, the public's faith could be completely justified.