

Royal Commission submission regarding [REDACTED]

### **Summary of misconduct**

I chose and opened an [REDACTED] account based on the content of their Product Disclosure Statement (PDS) which is available on their website.

As regards income payments, the PDS outlines that I can choose how often and how much I get paid, that it will be as per their payment calendar and that you can change the frequency and amount any time. You can also request additional payments (outside of the payment schedule) although these attract an additional fee of \$35. You have to make each payment request at least five days prior to the payment date. The PDS correctly states that (by law) you have to make a minimum withdrawal each financial year dependant on your preservation age (which is in my case 5%). So, in summary, according to my understanding of the PBS, I thought that I could withdraw amounts as I see fit during the year as long as I end up withdrawing the minimum amount by the end of it. Wrong.

As I have only limited funds set away for retirement, during the course of the year, to supplement my age pension, I progressively withdraw as little as possible as late as possible.

What I am finding is that [REDACTED] does not operate as outlined in their PBS and I am frequently getting into trouble cash-flow wise because of it. I now understand that [REDACTED] appears to have some additional rules in place that they have not outlined in their PBS.

- Any additional payments are not counted towards my 5% limit
- When I set or reset my income payments, they always have to be such that if you would not change them before the end of the year the 5% limit is reached

### **Details of my current cashflow problem**

I have been advised by [REDACTED] that, for the current financial year I have to withdraw at least \$9,940 from my account.

I withdrew \$11,600 on the 2 Aug and then applied to withdraw \$600 on 18 Aug for payment on 28 Aug.

The website would not allow me to withdraw this latter amount and came up with an error message that read "The amount you requested under amount per payment is insufficient to meet your annual limit set by the Commonwealth Government"

When I rang [REDACTED] on 20 Aug, I was told that this error would be rectified and that I could expect to see that on the website within three days.

Three days later I checked the website and found that the error had not been corrected.

So, I rang [REDACTED] again and asked them why they had not corrected it, their response was that my first withdrawal did not count towards the 5% and that I needed to withdraw at least another 5%. I protested and also spoke to a Supervisor but in vain.

I then rang the financial planning department but received no timely response from them either.

So, I ended up having to increase my monthly payment to \$910 but am now not sure whether that will be paid in time for me to repay my credit card by the due date.

### **My views on what contributed to the misconduct**

I believe that the [REDACTED] website is set up incorrectly and that the staff are not able to override it.