

Submission to Banking Royal Commission

Attached is a complaint that I lodged with the Superannuation Complaints Tribunal (SCT) in January 2017 on behalf of my son, [REDACTED] for whom I hold an Enduring Power of Attorney.

To me the absolute worst thing about this whole process for us as a family was [REDACTED] total and complete abrogation of their responsibility for ensuring their members interests were cared for by allowing the underwriter to investigate and “resolve” complaints against it.

That complaint was the last in a series of formal complaints made to [REDACTED] [REDACTED] that were necessary because [REDACTED] insurance underwriter had engaged in delays, obfuscation, repeated requests for the same documents and at one point a year after successful submission of my son’s claim for Income Protection had initiated the entire process from the beginning by sending my son a letter asking for all the documentation again. **This after they had been instructed NOT to contact my son directly due to his mental illness.**

Since the attached formal complaint was lodged with the SCT I have learnt the following:

1. **Complaints process takes a minimum of 2 years** -- The SCT, because of lack of resources, takes 12 months to even open any complaint and then it takes a further 6 months to “negotiate” with the super fund and its underwriters. This taken together with the initial informal complaints process followed by a formal complaint to the super fund where they are allow 3 months to answer means that **there is virtually no possibility of resolving a complaint in under two years.**
2. **[REDACTED] abrogation of responsibilities to members --,**
 - a. **do not handle complaints about their insurance underwriters themselves,** they forward any complaint about insurance straight to the underwriters who answer on their own letterhead although on occasion they do sign the name of a [REDACTED] employee. **This not only abrogates [REDACTED] responsibilities to its members but also is the equivalent of putting the fox in charge of the hen house.**
 - b. **Do NOT inform members when they make changes to the insurance they are paying for.** [REDACTED] has a habit of regularly changing the conditions of their insurance policies on an Ad Hoc and irregular basis. [REDACTED] do NOT inform members who hold insurance policies of these changes they simply put the changed “guides” and/or “product disclosure statements” on their websites. Both of these documents are incomplete and extremely brief and do not list some very important conditions of the policy and in other cases totally mislead the member.
 - c. **Immediately sell members DEFAULT insurance without making it obvious to the new member that this is happening.** Further when an “annual statement” is sent out unless the members is particularly erudite they are likely to miss the insurance detail on the last page as all they are interested in his how much money they have in their account. [REDACTED] “hide” the insurance premiums by including them under “fees” on page one. **It is my belief that a large number of members do not even know they have insurance through their super fund.**
 - d. **[REDACTED] sell members insurance who have absolutely no possibility of claiming.** In January 2017 [REDACTED] changed their Income Protection policy to include a condition that the member “must be capable of working 30 hours a week to be able to make a claim”. This was not disclosed to members and was later changed to “capable of working 20 hours a week” again undisclosed. This means that all those part-time and/or casual employees working less than the stipulated number of hours must prove they are capable of working those hours a thing I believe a very large number of people would be unable to do to the underwriter’s satisfaction. **To me this is purely and simply fraud on a grand scale.**

3. [REDACTED] the insurance underwriter for [REDACTED] has:
- a. **Obfuscated and delayed putting as many road blocks in the way of settling the claim as possible.** I lodged a Disability Pension Claim for my son at approximately the same time as I lodged the Income Protection Claim with [REDACTED] Centrelink approved the DSP 6 months after the claim was lodged; [REDACTED] took a further 6 months to approve the claim. As you know approvals by underwriters are reluctant and extremely difficult to obtain. **I was only able to obtain action through a formal complaints process.**
 - b. **Miscalculated my son's incident date by two (2) months – determining that the “incident” happened two months AFTER it actually happened.** [REDACTED] chose to believe erroneous, self-contradictory and misleading information supplied by the employer in direct opposition to evidence supplied by the claimant in the form of employer and employee Worker's Compensation Claims, doctor's certificates and the like. **This was in direct and complete opposition to the conditions of the policy.**
 - c. **Incorrectly calculated my son's Pre-Disability Earnings (see attached) resulting in severe underpayment** by the underwriter and further disadvantaging my son with Centrelink who DEEMED he was paying his full insurance entitlement when he wasn't and thus reduced his Disability Pension up to \$350 per fortnight due to [REDACTED] error. This “miscalculation” was in direct and complete contravention of the policy and [REDACTED] stated that they were using an “industry standard” method of calculation. The intimidation was that it didn't matter what the policy said it was the “industry standard” of calculation which was important. I eventually won this point after 2 years of struggle. **But how many others have not won this struggle against what I believe to be a totally illegal method of calculation??**
 - d. **Incorrectly processed PAYG statements for my son which has resulted in a spurious debt to the ATO of \$20,000 and a “robodebt” situation with Centrelink.** It took until November 2016 to have my son's claim approved and partially paid back to March 2013. [REDACTED] put all payments in Gross Payments with no tax deducted in the PAYG statement issued for 2017 contrary to ATO guidelines which stipulate that the current year payments go in Gross Payments and the remainder in Lump Sum E. Further [REDACTED] did not issue the letter required by the ATO explaining the Lump Sum E payments. *It took me a year to rectify this situation only to find that [REDACTED] had neglected to remove the original incorrect PAYG Summary so that the ATO felt my son had earned over \$76,000 in 2017 instead of \$11,977. This resulted in a debt of \$20,000 and a “robodebt” letter from Centrelink for \$65,050 of undeclared earnings. I am still in the middle of trying to sort this out.* **Not only this but [REDACTED], when issuing the original incorrect PAYG statement, said that it was up to the claimant to use a tax agent to sort out the years of back payments with the ATO thus cost shifting their responsibility onto the claimant many of whom would be unable to cope with this requirement.**

To be fair, once I received the ATO debt notice and the Centrelink “robodebt” letter [REDACTED] have been bending over backwards to help me rectify the situation. Contrary to normal practice I am receiving answers to my queries in less than 24 hours when it would usually take a month or more to answer an email. Additionally, [REDACTED] have agreed to pay for an accountant to sort out my son's tax affairs as many years of returns (2013 to 2017) have to be amended, resubmitted, amended and resubmitted. It's a mess.

Additionally, from something said by an ATO staff member I gather the fact that I have been as vocal and persistent as I have has resulted in “helping a lot of other people” resolve their [REDACTED] tax difficulties.

I have conducted ALL my interactions with [REDACTED] by email with very few exceptions one of which was the “conciliation” conference between [REDACTED] myself and the SCT. Therefore I can document all I say.

Additionally, I believe that [REDACTED] have acted illegally in the way they calculated my son's incident date and his Pre-Disability Earnings. I believe this practice to be widespread and that the majority of member claimants do not have either an advocate or the experience, knowledge and (excuse me) damned, cussed, persistent doggedness to beat these organisations at their own game. I further believe the organization rely on that to minimize the number of successful claims made against them.

[REDACTED]

If I can help ensure that [REDACTED] behave honourably and in accordance with the best interests of [REDACTED] members then I will do so. Please do not hesitate to contact me.

However, I will say that I do live in fear of [REDACTED] ability to make my son's life, and my life, extremely difficult from here on in. My son suffers from a mental illness, is often unco-operative with medical treatments and can be made worse by any anxiety and/or stress, as can I. I have not dared to tell my son about the ATO debt or the Centrelink "robodebt" because I fear for the consequences to my son and to other people against whom he may express his anger and sense of injustice.

Therefore although I am willing to help in any way I can including testifying, I ask that there be some sort of guarantee that [REDACTED] will not seek their revenge against my son. As my son's "attorney" it is my obligation as well as my desire, to ensure that his interests are looked after to the best of my ability.

Yours sincerely,

[REDACTED]





















