



24 June 2016

Mr Greg Tanzer
ASIC Commissioner
PO Box 9827
MELBOURNE VIC 3001

Dear Mr Tanzer,

RE: BANKING IN AUSTRALIA: PART 7

Banking in Australia: Unregulated and Unprotected Part 7 is the most recent paper in a series refereed to the federal regulators.

Frequent government inquiries into banking have failed to recommend a further inquiry into the practices of bank Chief Executives. Part 1 to Part 6 of *Banking in Australia* outlines these practices.

The CEO's conduct seems bewildering, as does the underperformance of the ASIC. Without an inquiry there can be no closure on concerns that the banks, prior to 2014, were selling customer loans without full disclosure¹. Add these costs to damages caused to thousands of customers, and the full cost to the community would amount to millions, if not billions of dollars, in an economy already under pressure to remain competitive.

Prior to the July 2 election, the major parties should declare a position on whether they will support a full inquiry into banking practices (2004-2014), as took place in the US and Europe (*Banking in Australia Part 3*).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Russell Cousins', is written over a light grey rectangular background.

Russell Cousins
Director, Bank Victims Pty Ltd
101/15 Albert Avenue
BROADBEACH QLD 4218
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Copy: Peter Kell, ASIC Deputy Chair

¹ Fairness of the Bank / Customer Relationships in Australia (6 Dec 2010)

BANKING IN AUSTRALIA: UNREGULATED AND UNPROTECTED

PART 1:

Links weakness of the Code of Banking Practice, the Code Compliance Monitoring Committee and the Financial Ombudsman Service with systemic flaws in the self-regulation regime of Australian banks. It asks whether the practices of leading banks constitute criminal behavior.

PART 2:

Notes the relationship between [Code] subscribing banks and customers has been damaged by the failure of regulators to prosecute banks that have breached the APRA, ASIC and ACCC Acts.¹

PART 3:

Reports information that ASIC has that explains how the Australian banks misled customers. Whilst Bank of America and others US banks have been prosecuted for illegal behavior, no action has been taken to investigate unlawful bank conduct in Australia.

PART 4:

Explains how regulators, in 2016, allege two banks, ANZ and Westpac - and possibly NAB – “disadvantaged customers by manipulating the nation’s benchmark interest rate, the bank bill swap rate. This distorts lending and borrowing costs for households and businesses.

PART 5:

Refers to federal regulators being negligent in circumstances where the practices of banks may amount to criminal conduct. There is evidence that senior executives of the banks generated profits unlawfully.

PART 6:

Self-regulated banking, introduced in 2001, allowed the banks to sell contracts without full disclosure. By concealing the Constitution of the CCMC, bank contracts could be termed toxic, as important and relevant contract terms were withheld from customers.

PART 7:

The CEO’s conduct seems bewildering, as does the underperformance of the ASIC. Without an inquiry there can be no closure on concerns that the banks, prior to 2014, were selling customer loans without full disclosure.

Prepared for:
Greg Tanzer
ASIC Commissioner
GPO Box 9827
MELBOURNE VIC 3001



24 June 2016

Mr Peter Kell
ASIC Deputy Chair
GPO Box 9827
MELBOURNE VIC 3001

Dear Deputy Chair,

RE: BANKING IN AUSTRALIA: PART 7

Please find attached a copy of Bank Victims letter to Greg Tanzer, ASIC Commissioner at today's date regarding banking practices in Australia.

The attached document states that:

"The CEO's conduct seems bewildering, as does the underperformance of the ASIC. Without an inquiry there can be no closure on concerns that the banks, prior to 2014, were selling customer loans without full disclosure."

Bank Victims believes that ASIC has the power to approve codes of practice in the financial services sector. Code of practice set enforceable rules setting out the industry commitment to delivery certain standard of practice to encourage consumer confidence in the financial services industry.

Please advise whether ASIC will review the practices of bank chief executives in complying with banking codes during the past ten years.

Yours sincerely,

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