



5 May 2016

Mr Greg Tanzer
ASIC Commissioner
GPO Box 9837
MELBOURNE VIC 3001

Dear Commissioner Tanzer,

RE: BANKING IN AUSTRALIA: PART 1

Following the decision by government to introduce self-regulation of the banking sector in 2001, customers were unable to adequately resolve disputes with their banks.

During the next few years, Bank Victims customers have experienced problems with their bank, which appears to have resulted from lack of regulation. I founded the advocacy group *Bank Victims*¹ in 2010 to provide support for fellow Australians who suffered from unfair banking practices.

Bank Victims' website has been contacted by a considerable number of bank customers who suffered from unfair banking practices. The attached paper, *Banking in Australia: Unregulated and Unprotected*², provides evidence of practices in Australia that continued unchecked during the past decade.

Banking Code 1993

Following reviews of global banking codes in 1991, the Martin Committee recommended the introduction of the Australian Code of Banking Practice ("the Code"). It was first published in 1993 with declarations that banks would comply with the following principles when dealing with their individual and small business customers.

These principles were to:

- (i) *describe standards of good practice and service;*

¹ Bank Victims Website available from: <http://bankvictims.com.au/>

² *Banking in Australia: Unregulated and Unprotected*. Submission 61 Parliamentary Joint Committee on Corporation and Financial Services: Impairment of Bank Customer Loans

- (ii) *promote disclosure of information relevant and useful to Customers;*
- (iii) *promote informed and effective relationships between Banks and Customers; and*
- (iv) *require Banks to have procedures for resolution of disputes between Banks and Customers.*

Banking Code 2003

Following the decision by the government to transfer banking regulation from its agencies to banks in 2001, these principles were retracted and discarded. The banks introduced their own rules for Code compliance, which meant they would not be named for breaching the Code.

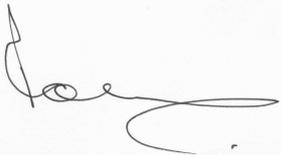
The decision by banks to discard the 1993 principles becomes apparent upon reading the attached paper, *Banking in Australia: Unregulated and Unprotected*. It outlines how, since 2003, banks discarded ethics, concealed documents and utilised deceitful practices.

It is our understanding from bank customers who approached ASIC that it has denied responsibility for investigating complaints regarding the current banking regulation that it has failed 17 million Australian bank customers.

It appears that ASIC has failed to explain to the Australian public how bankers have avoided being prosecuted for their misconduct.

Banking in Australia: Part 2 is being published by Bank Victims during the next 7 days.

Yours sincerely,



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Copy: Peter Kell, ASIC Deputy Chair.

Enc: Banking in Australia: Unregulated and Unprotected (11 April 2016)