



Briefing Paper

The Australian Royal Commission into Misconduct in the Banking,
Superannuation and Financial Services Industry

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Summary

Numerous scandals and instances of misconduct have plagued Australia's financial sector over the past decade. It has seen cases of forgery, fraud and misconduct at the Commonwealth Bank's financial planning arm; misconduct, poor record keeping and cheating on exams at Macquarie Private Wealth; mismanagement of Timbercorp by ANZ Bank; concerns over the fairness of clauses in life insurance provided through superannuation and financial advisor misconduct at National Australia Bank, among many other issues.

There was growing political support for a Commission as early as 2014, but Australia's financial institutions eventually supported the establishment of a Commission in 2017 to end the political uncertainty and to re-establish confidence in the financial sector.

The Royal Commission was established on 14 December 2017 with Kenneth Madison AC QC acting as Commissioner. The Commission is separated into 7 separate rounds, each with a separate focus area. Round 3 is of crucial importance for small businesses as it focused on loans to SMEs. The round focused on responsible lending to small businesses, approaches of banks to enforcement, management and monitoring of loans to businesses, unfair contract terms and the Code of Banking Practice.

The Commission will submit an interim report by 30th September 2018 and will then provide a final report by 1 February 2019.

1. Establishment of the Royal Commission

1.1 Timeline of Establishment

- 26 June 2014 – The Senate Economics References Committee (the Senate References Committee) inquiry into the [Performance of the Australian Securities and Investments Commission](#) recommended the establishment of a Royal Commission into misconduct by the Commonwealth Bank of Australia and the performance of the banking regulators.
- 5 July 2014 – It was [reported](#) that Senator John Williams (who was on the Senate References Committee) was calling for a wider Royal Commission into the financial sector than recommended by the Committee.
- 24 June 2015 – Senator Peter Whish Wilson of the Australian Greens moved a [motion](#) to establish a Royal Commission with reference to the recommendations of the Senate Reference Committee. The motion was not supported by the Government or the Opposition.
- 8 April 2016 – The Australian Labor Party officially adopted a Banking Royal Commission as party policy (see [press release](#)).

- 31 May 2016 – The Australian Greens released a [Banking policy](#) which also included the establishment of a Banking Royal Commission.
- 13 September 2016 – then Treasurer Scott Morrison MP formerly requested that the House of Representative’s Standing Committee on Economics (the Economics Committee) undertake an annual review of the Australian banking system, with annual public hearings with the four major banks. The ALP’s dissenting report to the first report of the Economics Committee inquiry criticised the inquiry as being a tactic for delaying a Royal Commission.
- 20 November 2017 – It was [reported](#) that Senator O’Sullivan was seeking to introduce a Bill to establish a Banking Royal Commission.
- November 2017 - The Government proposed the establishment of a ‘mega-ombudsman’, called the Australian Financial Complaints Authority (AFCA) by replacing the three existing organisations. The cap on value of disputes would be raised to \$1m.
- 30 November 2017 – The CEOs and Chairs of the four major banks [wrote](#) to Scott Morrison calling for the establishment of a Royal Commission to help end political uncertainty.
- 30 November 2017 – The Government [announced](#) a 12 month Banking and Financial services Royal Commission.

1.2 Senate Economics Reference Committee

In 2013 and 2014 the Senate Economics Reference Committee conducted an inquiry into the [Performance of the Australian Securities and Investments Commission](#). The [final report](#) released on 26 June 2014, made a number of criticisms of the ASIC in relation to two key case studies. The report found that:

- Although the AISC has limited powers and resources, it appears to miss or ignore clear and persistent early warning signs of corporate wrongdoing or troubling trends that pose a risk to consumers;
- Consumers trust their advisers/brokers/financial institutions to do the right thing for them, to the extent that they may sign incomplete or blank documents, do not ask questions and do not seek second opinions— such trust is open to abuse;
- Consumers have unrealistic expectations of what ASIC can do and the extent to which the regulator is able to protect their interests or investigate their complaints;
- The ASIC is a timid, hesitant regulator, too ready and willing to accept uncritically the assurances of a large institution that there were no grounds for ASIC’s concerns or intervention.

The report recommended the establishment of either a judicial inquiry or a Royal Commission with sufficient investigative and discovery powers to compel relevant people to give evidence and to produce information or documents. The report concluded that an

inquiry or a Commission was needed to:

- Thoroughly examine the actions of the Commonwealth Bank of Australia (CBA) in relation to the misconduct of advisers and planners within the CBA's financial planning businesses and allegations of a cover up;
- Identify any conduct that may amount to a breach of any law or professional standard;
- Review all files of clients affected or likely to be affected by the misconduct and assess the appropriateness of the compensation processes and amounts of compensation offered and provided by the CBA to these clients; and
- Make recommendations about ASIC and any regulatory or legislative reforms that may be required.

The report received a mixed political response. The Deputy Chair, Senator David Bushby, stated that he did not support the recommendation on the basis that it would “incur significant cost to taxpayers without delivering any greater level of understanding or financial restitution”¹. However, Senator Williams, who was on the Senate Committee, called for a Royal Commission and supported widening it to include Macquarie Group, CBA, ANZ, phoenix companies and liquidators.²

1.3 Green Party Motion

Senator Whish Wilson of the Greens moved a [motion](#) in the Senate on Wednesday 24 June 2015 calling on the Government to establish ‘a Royal Commission into misconduct within the financial services sector’ which referenced but was broader than the Senate Committee’s recommendation. The motion was voted down by a majority of 25.

Senator Mitch Fifield argued against the motion stating:

“The government's position has not changed. The financial services industry has never been under closer scrutiny. Over the past 12 months alone we have had five inquiries into the sector. The Financial System Inquiry made recommendations to strengthen regulation of the financial advice sector and increase ASIC powers, as did the Economics Committee inquiry into the performance of ASIC. We are now working on raising professional standards for financial advisers in response to the bipartisan parliamentary joint committee inquiry. There is also a Senate inquiry into the scrutiny of financial advice which is due to report next year. Another Senate inquiry into forestry managed investment schemes is due to report mid-year.”

No ALP senators spoke on the motion so their reasons for not supporting it are unclear. However, in an earlier [doorstop interview](#) on 27 February 2015 the Opposition Leader the Hon. Bill Shorten MP indicated that the ALP were open to the idea of a Royal Commission but wanted to come up with the ‘best solution for all.’

¹ Senate Economics Reference Committee, inquiry into the Performance of the Australian Securities and Investments Commission, Final Report, 26 June 2014, p. 462

² A Ferguson and B Butler, [‘Commission needed into white collar robbers: Nat’](#), Canberra Times, 5 July 2014, p. 5

1.4 ALP and Greens Policy Announcements

The ALP [announced](#) the Royal Commission as formal policy on Friday 8 April 2016. The press release stated:

“This is an important decision that was not taken lightly – it has been made after careful consideration over an extended period of time....This proposal for a Royal Commission into Australia’s Financial Services Industry has been costed by the independent Parliamentary Budget Office at \$53 million over two years”

The Greens released their [banking policy](#) on 31 May 2016 which also included a proposal for a Royal Commission into the banking sector. The Greens proposal had the same estimated cost as the ALP policy, at \$53 million.

1.5 Senate Inquiry into the Major Banks

On 13 September 2016 Treasurer Scott Morrison MP formally requested that the House of Representative’s Standing Committee on Economics (the Economics Committee) undertake an annual review of the Australian banking system, with annual public hearings with the four major banks. The [Terms of Reference of the inquiry](#) require the Economics Committee to consider:

- Domestic and international financial market developments as they relate to the Australian banking sector and how these are affecting Australia;
- Developments in prudential regulation, including capital requirements, and how these are affecting the policies of Australian banks;
- The costs of funds, impacts on margins and the basis for bank pricing decisions, and;
- How individual banks and the banking industry as a whole are responding to issues previously raised in Parliamentary and other inquiries, including through the Australian Bankers' Association's April 2016 six point plan to enhance consumer protections and in response to Government reforms and actions by regulators.

The Economics Committee held hearings in [October 2016](#), [March 2017](#) and [October 2017](#). The Committee also released a [report](#) on 24 November 2016. In their dissenting report, ALP members of the Committee criticised the inquiry as being established in order to avoid a Royal Commission.³

1.6 The Australian Financial Complaints Authority

In November 2017, the Government announced the establishment of the Australian Financial Complaints Authority (AFCA) to improve access to justice for the victims of misconduct in the Australian Financial Industry. It is intended to be operational by November 2018.

³ House of Representatives Standing Committee on Economics, Review of the Four Major Banks (First Report), 24 November 2016, p. 85

The AFCA is an external dispute resolution scheme (EDR) to deal with complaints from consumers in the financial system. It replaces the three existing EDR schemes to give consumers once single scheme. It replaces the Financial Ombudsman Services, the Credit and Investments Ombudsman and the Superannuation Complaints Tribunal⁴. It gives consumers access to a free and binding resolution scheme and a higher limit on the value of disputes (\$1m).

The opposition parties in Australia claimed that the new ombudsman was simply a rebranding exercise, implemented to show that the Government was attempting to ‘fix the system’ without the need for a Royal Commission.⁵

1.7 Government Announces Royal Commission

The Royal Commission was [announced](#) by the Prime Minister and the Treasurer on 30 November 2017. In this announcement the Prime Minister stated:

“Now, this will not be an open-ended Commission. It’s not going to put capitalism on trial, as some people in the Parliament would prefer. And we will be giving it a reporting date of 12 months. This should not be a Commission that runs forever, costing many hundreds of millions of dollars, as would’ve been the case under some of the proposals”

The announcement followed the provision of a [letter](#) to the Treasurer from the CEOs and Chairs of the major banks calling for the establishment of a Royal Commission. In the letter the CEOs and Chairs stated that:

“it is imperative for the Australian Government to act decisively to deliver certainty to Australia’s financial services sector, our customers and the community...It is now in the national interest for the political uncertainty to end. It is hurting confidence in our financial system, including in offshore markets, and has diminished trust and respect for our sector and people. It also risks undermining the critical perception that our banks are unquestionably strong”

The letter also addressed the timeframe, stating:

“It is also important that any inquiry reports back in a timely manner so that we can have certainty about the findings and move forward to implement any recommendations.”

The announcement also followed Senator O’Sullivan signalling his intent to introduce a Bill in late November 2017 to establish a Royal Commission. Labor had [indicated](#) on 17 November 2017 that it was prepared to work with the Nationals to introduce such a Bill.

⁴ The Australian Financial Complaints Authority, 2018

⁵ The Investment Magazine, May 2017

2. Details of the Royal Commission

2.1 Terms of Reference

The Committee was established to inquire into the following matters:

- (a) Whether any conduct by financial service entities (including directors, officers or employees of, or by anyone acting on behalf of those entities) might have amounted to misconduct and if so, whether the question of criminal or other legal proceedings should be referred to the relevant commonwealth, state or territory agency.
- (b) Whether any conduct, practices, behaviour or business activities by financial services entities fall below community standards and expectations.
- (c) Whether the use by financial services entities of superannuation members' retirement savings, for any purpose, does not meet community standards and expectations or is otherwise not in the best interest of those members.
- (d) whether any findings in respect of the matters mentioned in paragraphs (a), (b) and (c):
 - i) are attributable to the particular culture and governance practices of a financial services entity or broader cultural or governance practices in the relevant industry or relevant subsector; or
 - ii) result from other practices, including risk management, recruitment and remuneration practices, of a financial services entity, or the relevant industry or relevant subsector.
- (e) The effectiveness of mechanisms for redress for consumers of financial services who suffer detriment as a result of misconduct by financial services entities.
- (f) The adequacy of:
 - i) Existing laws and policies of the Commonwealth (taking into account law reforms announced by the Commonwealth Government) relating to the provision of banking, superannuation and financial services; and
 - ii) The internal systems of financial services entities; and
 - iii) Forms of industry self-regulation, including codes of conduct;
- (g) The effectiveness and ability of regulators of financial services entities to identify and address misconduct by those entities;
- (h) Whether any further changes to any of the following are necessary to minimise the likelihood of misconduct by financial services entities in future (taking into account any law reforms accounted by the Commonwealth Government):
 - i) The legal framework;
 - ii) Practices within financial services entities;
 - iii) The financial regulators;

- (i) Any matter that has occurred or is occurring overseas, to the extent the matter is relevant to a matter mentioned in paragraphs (a) to (h);
- (j) Any matter reasonably incidental to a matter mentioned in paragraphs (a) to (i)
- (k) We direct you to have regard to the implications of any changes to laws, that you propose to recommend, for the economy generally, for access to and the cost of financial services for consumers, for competition in the financial sector and for financial system stability; and
- (l) We authorise you to have regard to comparable international experience, practices and reforms.

2.2 Overview of the Rounds of the Royal Commission

To date, five rounds of hearings have been conducted by the Royal Commission:

- [Round one](#) (from Tuesday 13 March to Friday 23 March) focused on consumer lending, including residential mortgages, car finance, credit cards, add-on insurance products, unsolicited credit offers and account administration errors.
- [Round two](#) (from Monday 16 April to Friday 27 April 2018) focused on financial advice, including fees for no service, Investment platform fees, Inappropriate financial advice, Improper conduct by financial advisers and the disciplinary regime for the financial advice profession.
- [Round three](#) (from Monday 21 May to Friday 1 June 2018) focused on loans to small and medium enterprises (SMEs), including responsible lending to small businesses, approach of banks to enforcement, management and monitoring of loans to businesses, product and account administration, extension of unfair contract terms legislation to small business contracts and the Code of Banking Practice.
- [Round Four](#) (from Monday 25 June to Friday 29 June and from Monday 2 July to Friday 6 July) focused on experiences with financial services entities in regional and remote communities, including farming finance and interactions between Aboriginal and Torres Strait Islander people and financial services entities.
- [Round five](#) (from Monday 6 August 2018 to Friday 15 August 2018) focused on registrable superannuation entities (RSEs), including their structural and governance arrangements, the relationship between trustees and financial advisers, and in particular their selling practices. The case studies also examined superannuation funds of Aboriginal and Torres Strait Islander members and the effectiveness of superannuation regulation and supervision.

There are two remaining rounds of scheduled hearings:

- Round 6 (from 10 September -21 September 2018) will focus on insurance.

- Round 7 (from 19 November - 30 November 2018) will focus on policy questions arising from the first six rounds.

2.3 Round 3: SME Lending

[Round 3](#) covered issues relating to lending to small and medium enterprises, notably failure to comply with responsible lending principles, banks loan monitoring and review processes and loan administration.

Responsible Lending

The Commission heard five case studies in relation to banks responsible lending practices that covered conduct by ANZ, Bank of Queensland, Commonwealth Bank of Australia (CBA), Westpac and Suncorp. The key issues raised by these hearings were:

- Failure to undertake sufficient due diligence on loans to franchisees. The Commission heard case studies involving ANZ, Westpac and Bank of Queensland (BOQ) providing loans to franchisees despite evidence indicating that the franchises would not be profitable enough to service those loans. In all three cases examined the franchisees were unable to service their loans and the franchises were liquidated. Further the Commission also heard that:
- ANZ admitted that remuneration and performance objectives for bankers focused heavily on volume targets and ANZ was, at the time, aggressively acquiring small business customers.⁶
- Despite the Financial Ombudsman Service (FOS) considering a complaint in relation to the loan approval, Westpac continued to issue collection notices contrary to the FOS terms of reference.⁷
- The FOS found that BOQ had misled the franchisee. BOQ provided an indicative monthly repayment schedule of \$4,420 per month that was relied on when signing the franchise agreement. Bank of Queensland's final letter of offer had repayments of over \$8000 per month by which time it was too late to back out of the franchise contract.⁸
- Insufficient credit assessment and excessive charging for business overdraft facilities. The Commission heard that between December 2011 and March 2017 CBA overcharged some of its business customers at a monthly rate of 33.94 per cent instead of 16 per cent. CBA remediated these customers (to a total amount of just under \$3 million).⁹

⁶ Banking Royal Commission, Round 3, Transcript. 1 June 2018, p. 3029.

⁷ Ibid. p. 3031

⁸ Ibid. p. 3032

⁹ Ibid. p. 3035-3037

- Inappropriate guarantee arrangements. The Commission heard that Westpac relied on a guarantee provided by Ms Flanagan, and a mortgage over home to support her daughter's small business. Ms Flanagan is on a disability pension and suffers a number of medical conditions.¹⁰
- Insufficient redress arrangements. The Commission heard that the FOS found that Suncorp had breached responsible lending standards in relation to a loan provided to the Low family. The FOS reduced the outstanding loan amount by the interest amounts and determined that Suncorp could not charge interest. Suncorp pursued repayment of the debt over an arguably, unreasonable 12 to 18 months (rather than the 17 year term of the original loan). The Commission heard that the FOS erred in advising the parties that 12 to 18 months was a reasonable time frame for repayment.¹¹

Management of Loans

The Commission heard two case studies in relation to management of small business loans and communication by CBA/Bankwest and NAB. The key issues raised include:

- Over exposure to commercial property and related issues. The Commission heard that Bankwest's lending book was over exposed to commercial property. CBA acquired Bankwest following the GFC, and commenced a project to reduce its exposure. As a result of this reduction, a number of customers, through no conduct of their own, had their properties revalued downwards, their overdrafts decreased or their loan servicing costs increased.¹²
- Failures of communication. The Commission heard that NAB failed to properly disclose the impacts of selling a residential property that was used as security for a business loan. They then sought to retain all proceeds of the sale of the residential property to reduce the business loan. No default had been made in respect of the business loan.¹³

Media articles:

Clancy Yeates, Sydney Morning Herald, [Inquiry zeroes in on franchisee loans](#), 23 May 2018

Eloise Keating, [Banking royal commission: Franchising, pre-filled loans in the spotlight, as concerns mount over fallout for SMEs](#), 23 May 2018

Clancy Yeates, Sydney Morning Herald, [Westpac fought disability pensioner Carolyn Flanagan's hardship plea, 21 May 2018](#)

¹⁰ Ibid. p. 3032

¹¹ Ibid. p. 3037-3039

¹² Ibid. p. 3034-3052

¹³ Ibid. p. 3035-3036

James Frost, AFR, [Banking royal commission: Commonwealth Bank says Bankwest wasn't up to scratch](#), 29 May 2018

Jessica Irvine, Sydney Morning Herald, [A walk in Wagga turned into a nightmare for NAB customer](#), 30 May 2018

2.4 Round 4: Remote and Rural Lending

Round 4 covered issues relating to banking services for remote and regional areas, in particular, rural lending practices (to farmers) and the provision of financial services to indigenous Australians. The Commission heard six case studies in relation to finance provided to farmers that covered conduct by Bankwest, CBA, Rabobank, NAB, ANZ Landmark and Bendigo Adelaide Bank. The key issues raised by these hearings were:

Issues around incorrect valuations of rural properties

- The Commission heard that Bankwest provided a loan to Mr Ruddy based on an over-valuation of his property. It subsequently revalued his property without informing him. He subsequently breached his loan to value ratio requirements and was charged significant overdraft fees.¹⁴
- In 2009 APRA required Rabobank to review its rural valuation policy. Ernst and Young conducted the review and found that in the majority of the cases Rabobank relied on internal valuation of properties for issuing loans, leading to a risk that collateral may be overvalued by the loan originator either deliberately or in error.
- The Commission also heard evidence that conflicted remuneration structures, based on loan volumes rather than quality metrics, encouraged bank managers to over-value properties.

Issues around bank's lending standards and management of financial hardship

- The Commission heard of 62 loans by Rural Bank made to Queensland cattle producers between 1 January 2008 and 31 December 2017 that became non-performing. The Commission heard Rural Banks aggressive pursuit of farm loans gave rise to lax credit assessment practices and excessive risk taking.
- The Commission heard that NAB failed to inform the Smith's of its hardship policy or to offer relief when they experienced hardship following the live export ban, severe drought and flooding and were unable to meet repayments on their loans. NAB did not enforce security over the loans but continued to charge default interest for in excess of five years (at the time of the hearings the Smith's had incurred \$2.6 million in default interest).¹⁵

¹⁴ Royal Commission Transcript, Round 4, 6 July 2018, p.4114

¹⁵ Ibid. p. 4121

Issues around ANZ's acquisition of Landmark

- The Royal Commission heard a number of issues in relation to ANZ's acquisition of Landmark. ANZ stated that Landmark's loan book was worse than it had anticipated when it acquired it. It admitted to a number of circumstances of misconduct in relation to these loans including requiring farmers to sell their properties, failing to enter into mediation, failing to accept offers to settle debts without adequate justification and increasing interest rates on customers already experiencing financial stress.

Media reporting:

Clancy Yeates & Sarah Danckert, Sydney Morning Herald, [ANZ backs moratorium on drought-stricken farmers, admits to misconduct](#), 17 July 2018

Narelle Hooper & Amy Braddon, Australian Institute of Company Directors (AICD), [The banking Royal Commission puts farm finance failures in the spotlight](#), 1 August 2018

S Danckert, Sydney Morning Herald, ['We lost touch': NAB to give farmers drought reprieve](#), 23 July 2018

Issues around indigenous financial services

- The Commission heard that ACBF targeted indigenous customers to purchase funeral insurance by marketing its products using indigenous iconography and stating that its products were specifically tailored. This was despite it not being an organisation affiliated or sponsored by any Aboriginal or Torres Strait Islander organisation, or governmental organisation. On numerous occasions ACBF failed to comply with a 1999 Federal Court order to include a disclaimer in its advertising that it is not sponsored or connected with any governmental body or Aboriginal or Torres Strait Islander organisation.¹⁶
- The funeral insurance was sold by ACBF to customers who were unlikely to need it. ACBF engaged in a practice that involved parents or other family members signing children and younger family members up to funeral insurance policies. According to a 2015 ASIC report around 50 per cent of ACBF's policy holders are under the age of 20 and 33 per cent are under the age of 15.¹⁷
- The Commission also heard that Let's Insure put pressure on Ms Marika to take out funeral insurance policies covering herself, her three children and her five grandchildren and provided inducements to her to provide conduct details of family

¹⁶ Royal Commission Transcript, Round 4, 6 July 2018, p.4131

¹⁷ Ibid. p. 4132

and friends.¹⁸

- The Commission heard that ANZ signed an indigenous customer (with English as a secondary language) up to a number of high fee savings accounts despite the customer's clear intention to sign up to a low fee account.¹⁹

3. Reaction of the Regulator

ASIC has noted that since the Commission has “not yet made findings or recommendations [...] ASIC should not comment or speculate on what the Royal Commission might either find or recommend”²⁰. Nevertheless, it acknowledged a “\$70.1 million [approximately £38.5 million] funding package for ASIC” from the Government, which would enable it to “accelerate and expand” its “enforcement and supervisory work”. An example of the new approach was to “embed dedicated supervisory staff within these institutions to monitor their governance and compliance with laws”. It also set out other “important measures” which ASIC would be implementing.

Further details of ASIC's plans were published recently in their Corporate Plan²¹. It stated that updates to the plan would be needed to address recommendations from the Commission when it had reported. It also noted that ASIC had “enhanced our internal governance frameworks to better support strategic decision making”²².

4. Related Press Coverage

- David Chau and Emily Clark, '[Banking Royal Commission: How Did We Get Here?](#)', ABC News, 11 February 2018. Stated that the Commission followed a series of banking scandals. Also addressed the question of why the banks and the Government wanted an inquiry, stating that the official position was that “they want to address the uncertainty in the financial sector head on”. It also suggested that “a more cynical answer might be that an inquiry of some sort into the banking sector is inevitable, and they [the banks] wanted some control in the process”. It also noted that the Government's position on the issue changed from opposing an inquiry to establishing one, speculating that this was due to pressure both from the Opposition and from within the Coalition Government. Also included links to further articles on examples of the alleged misconduct being investigated.
- Gareth Hutchens, '[Banking Royal Commission: All You Need to Know So Far](#)', Guardian, 19 April 2018. Stated that the Commission was established “after years of public pressure from whistleblowers, consumer groups, the Greens, Labor, and some Nationals MPs”, ultimately being set up because of “open revolt” in the governing coalition. The article reported that one political leader who had initially

¹⁸ Ibid. p. 4138

¹⁹ Ibid. p. 4145

²⁰ ASIC, '[Parliamentary Joint Committee on Corporations and Financial Services: Opening Statement - ASIC Chair James Shipton](#)', 17 August 2018

²¹ ASIC, '[ASIC's Corporate Plan 2018–22: Focus 2018/19](#)', August 2018

²² Ibid. p.2

opposed the inquiry had now admitted that they were wrong. It also provided examples of misconduct for which evidence has been presented to the Commission. These included “alleged bribery, forged documents, repeated failure to verify customers’ living expenses before lending them money, and miss-selling insurance”, as well as “lying to regulators” and “charging fees to clients who had died”.

- Katharine Murphy, ‘[Most Australians Want Banking Royal Commission: Guardian Essential Poll](#)’, Guardian, 27 November 2017. Addressed the question of public support for the Commission, albeit prior to the Commission’s establishment. It reported poll findings that 64 percent of Australians supported a Commission, and gave a breakdown by political allegiance. I am not aware of any opinion surveys on the Commission since it began.
- Andrew Robertson, ‘[Banking Royal Commission: It Could Get a Lot Worse for the Banks as the Focus Turns to Superannuation](#)’, ABC News, 4 August 2018. Reported an estimate of \$12 billion (£6.6 billion) as the level of excess fees and charges allegedly existing in the superannuation industry. Also stated that costs to one of Australia’s largest financial service providers, AMP, incurred as a result of the Commission were already \$0.5 billion (£270 million), even prior to the investigation into superannuation. It also noted that the share prices of Australia’s ‘big four’ banks, and AMP, had all fallen since the Commission was established.
- Gareth Hutchens, ‘[AMP to Compensate Super Investors After Fresh Humiliation at Royal Commission](#)’, Guardian, 16 August 2018. Reported examples of compensation paid by AMP.
- Jenni Henderson, ‘[Will the Banking Royal Commission Push Down Property Prices? We Ask Five Experts](#)’, Financial Review, 15 May 2018. Reported the views of five academics on the implications of the Commission for the Australian housing market. Their opinions differed, but a common thread was that the banks are likely to tighten their lending standards. If this occurred, the Federal Bank of Australia has suggested that it “may have its largest effect on the amount of funds an individual household can borrow, more than the effect on the number of households that are eligible for a loan” (Bank for International Settlements, ‘[Guy Debelle: The Outlook for the Australian Economy](#)’, 15 May 2018).
- Michael Janda, ‘[Banking Royal Commission Continues Hearing Life, Income Insurance Horror Stories](#)’, ABC News. The Royal Commission hears how some, mainly young and low-income, workers are missing out on insurance through their super fund due to poorly advertised exclusions, and how common surveillance of claimants has been in the insurance sector.
- Daniel Ziffer, ‘[Banking Royal Commission: Predatory Practices, Exploitation of Indigenous Australians Revealed](#)’, ABC News, 6 July 2018. ACBF provides funeral insurance and evidence presented at the commission’s hearings in Darwin was that it preys upon the immense cultural importance indigenous communities place on funerals and practices around death. It was revealed at the hearings that it breached

Federal Court orders to tell customers it is not connected with or sponsored by government or Aboriginal organisations.

- Alexis Carey, [‘Couple lose family business – despite never missing a payment deadline’](#), news.co.au, 29 May 2018. Banwest’s decision to suddenly change the conditions on a business loan cost a couple their pub, the Royal Commission heard. The bank changed their loan term from 15 years to just 2.
- Gareth Hutchens, [‘Banking Royal Commission: Westpac executive admits flaws in loan process’](#), Guardian, 22 May 2018. A Westpac executive has told the Royal Commission that it is not uncommon for Westpac employees to fill out loan documents on clients’ behalf. They also admitted to falsely witnessing and pre-filling a form of acknowledgement, before allowing an elderly pensioner to become guarantor for her daughter’s loan, and then making a claim on the home after the daughter’s business failed.
- Gareth Hutchens, [‘Banking Royal Commission: Suncorp admits to failings on small business contracts’](#), 31 May 2018. Suncorp has admitted it has failed to complete a review of its standard small business contracts to see if they comply with new unfair contract laws, despite a request from ASIC to do so in 2016. The government had changed the law because small businesses were being offered contracts by banks on a “take it or leave it” basis with limited opportunity to negotiate the terms.
- Clancy Yeates, [‘NAB wasn’t entitled to take proceeds from home sale as loan repayment’](#), 31 May 2018. NAB had no “lawful entitlement” to insist that the proceeds of the sale of a customer’s main home be used to pay down debts owed by his small business, the Royal Commission has heard. The bank did not hold direct security over the property for the business loans.