

HNAB-AG SURVEY Reveals Grave Concerns About: Timbercorp's 'Hardship Program' with Craig Shepard and Catriona Lowe

Nine months since the **special Senate Hearing into Timbercorp**, subsequent information at the Hearing into **Forestry MIS**, August 2015, reinforces data from a **HNAB-AG survey** about ongoing concerns and misleading and deceptive conduct. Genuine political leadership to stop banks and power-brokers in the finance sector buying favour to silence or control review is essential to restore public trust and confidence and to address white collar crime in plain sight in the financial services industry.

Click here for DETAILS and SURVEY RESULTS:

http://halttosafeguardyourfinances.com/images/20150810_9_Mths_on_frm_1st_Senate_Hearing2.pdf

People are forced to conclude misconduct-related debt, including loans in which they were placed without their knowledge at all, or via deceptive conduct, and yet again are subjected to financial demands with NO TRANSPARENCY OR PROTECTION.

Under existing laws, odious treatment and opaque extraction of yet additional money from victims of the financial services industry is legally enforceable - while proper investigation of individuals and industry organizations is dismissed by government as not necessary. It is desperately out of touch and / or has no interest in the far-reaching impacts on ordinary people, their families and lives. The government protects industry to ensure donations and financial assistance. ASIC cannot be relied on.

• **HARDSHIP PROGRAM: a smokescreen to remove heat directed from parliamentarians / media and to hide arbitrary conclusions – and its appointed Advocate's errors**

The program forces people to conclude debt largely based on their ability to withstand protracted duress. Conclusions seem arbitrary. The survey shows it typically takes many months.

Catriona Lowe effectively advocates for the liquidator who appointed her. She has made substantial errors in calculation and failed to check figures – then, when discovered, she has not automatically adjusted her proposal.

It is not credible to believe **Craig Shepard** or **Catriona Lowe** would accept as adequate for their retirements, the levels of superannuation which they anticipate people will acquire - and having been forced to sell their home or re-mortgage well into twilight years - while demanding payment to settle.

• **ANZ's understanding of the Hardship Program**

The ANZ endeavours to paint a responsible and concerned position. However, at the highest levels, this fails to be in evidence. Obfuscation and misleading conduct occur.

Some assistance was eventually received from **Graham Hodges**, Deputy CEO. He confirmed at the Senate hearing he understood people who were Peter Holt's victims, should be treated differently from other individuals. He had specifically told HNAB-AG he encouraged Craig Shepard to treat individual Timbercorp victims of Mr Holt, "*as swiftly as possible*" and "*very generously*" "as well as "*incredibly compassionately*." The survey reflects that for well over 90%, the absolute reverse was the outcome.

Mark Korda of **KordaMentha** revealed at the senate hearing, ANZ is the only remaining creditor owed money (this includes the phenomenal penalty interest rate money – money it never lent). Thus, the ANZ could agree to eliminate all Holt-victim Timbercorp loans and review those already concluded.

• **Craig Shepard – Liquidator**

Craig Shepard fails to exercise his full range of statutory power which includes eliminating debt or seeking creditors or the court's permission. He stubbornly refuses to act with integrity or humanity. Colleagues describe him as belligerent with a short-fuse personality. Intimidation and bullying has been reported. He makes flagrantly false claims e.g. that people are typically processed in 14 days once their information is provided. He omits lengthy delays at his end (and Catriona Lowe's) in commencing evaluation of a case and responding to the person, demanding duplicate or unreasonable requests (e.g. to sign rights away beyond the evaluation period) or for further detail, dragging out the process.

He is protected by his opaque hardship program and lack of accountability: the basis for the amount demanded for settlement is not revealed. He rejects proposals by the advocate too.

Although people had been told categorically, there was no option beyond paying 85% (of doubled debt with penalty interest) or going to court (where law is often not justice), Craig Shepard refuses to allow retrospective review of debt settled prior to the hardship program in **September 2014**.

Many people will never be able to retire or own a home again. Physical and mental health impacts are severe, relationships suffer, families have been relocated and separated, work and career have suffered with dire consequences for children. Rather than reducing distress, by eliminating or compassionately addressing debt, the liquidator arranged training, for Catriona Lowe and her team, in suicide prevention. This appears to be defensive action in fear of action taken over any completed suicides.

• **Catriona Lowe – “Independent Hardship Advocate” (IHA): appointed by Craig Shepard**

A better title would be “*Liquidator’s Representative Liaison with Timbercorp Victims*.” Serious errors have been made, requiring people to push for an adjustment to her proposed conclusion. Depleted from years of protracted trauma, many are not up to pressing for the figures on which her proposal is based, far less checking her accuracy or diligence. Comments have been inappropriate, compounding distress.

It beggars belief that Catriona Lowe, or Craig Shepard, would accept decisions made about their own finances without a solid and transparent basis provided.

Initially presenting as very empathic and concerned to assist victims, Catriona Lowe’s actions have been largely unresponsive to HNAB-AG efforts to assist distraught people enduring an ordeal of years.

Rather than seeking immediate clarification given the critical importance to people, she took 5 weeks to eventually speak with ANZ about our report of **Graham Hodges’** understanding of how Timbercorp-Holt-victims were to be treated. She dismissed us as having misunderstood – without ever asking to hear the electronic recording from which direct quotes were taken, in context.

People’s dignity and privacy is further diminished with tremendous pressure to end debt, enticed by a reduction, in consenting to access psychological or medical reports. Spuriously, she acknowledges reports “*assist*” yet denies any duress involved, claiming people elect to provide such information.

Further, it is difficult to reconcile her idea that the “*program is voluntary and people can withdraw at any time and indeed not engage at all*” with the reality of protracted trauma, the legal system and for many, financial decimation. People are powerless, other than to conclude misconduct-related debt. Catriona Lowe’s competence and commitment as an advocate is questionable in our experience.

• **Suicidality – including retirement suicide plans – and family violence**

There has been a report of a 35% increase in suicide rates in Greece since the GFC. We do not know the statistics here. In Australia, there are reports of children engaging in sexual violence (related to increased general access to porn) due to family stress over financial hardship through to bankruptcy, as parents are less available to comfort their children in such times of instability and uncertainty.

Strong, ethical, decisive political leadership is urgent

Managed Investment Schemes, lenders, accountants, advisers, liquidators and regulators rely on successive governments to protect their involvement in financial crime.

The devastating, life-altering impact is similar to victims of disgraceful institutional responses to sexual abuse. We fervently hope that in decades hence, authorities are not called to a **Royal Commission** for failing to adequately act on disclosures of the impact of organizations and particular members of the financial services industry. **KordaMentha** and the **ANZ** fail their ethical and moral duty as does the **regulatory system** and **successive governments**.

A genuinely independent, competent professional, empowered to authorize conclusions of Timbercorp debt should be installed. A thorough investigation of the hardship program, and conduct of the IHA, liquidator and their teams, is warranted. To date they are protected by denial and resistance.

Strong, decisive leadership is urgently required into the industry. It must include swift and proper restitution with a retrospective compensation scheme of last resort.