

## AMP continued taking fees from customer Daryl Oehm's accounts months after death

By business reporter [Daniel Ziffer](#)

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Daryl Oehm had accounts with AMP at the time of his death. *(Supplied)*

Beleaguered financial giant AMP has been accused of not learning the lessons of the banking royal commission, after it continued to charge fees to a Melbourne customer it knew had died.

Daryl Oehm, the respected manager of a mental health unit at St Vincent's Hospital in Melbourne, died in October last year.

AMP continued to knowingly charge him fees, an illegal practice exposed during the Hayne inquiry, which the [Commonwealth Bank](#) and NAB also admitted to.

The deductions occurred during a five-month tug of war between the company and Mr Oehm's close friend and executor Naomi Halpern.

"It's absolutely mind-bogglingly outrageous and against the law," Ms Halpern told The Business.

### Key points:

- Daryl Oehm died in October 2018 and AMP continued to take fees from his accounts until March 2019
- The banking code of practice requires banks to identify and stop charging fees once notified of a customer's death
- AMP has apologised and said the executor of Mr Oehm's will was given incorrect information

"This is hot on the heels of the royal commission where they have been in the witness box for days, having to address their misconduct ... fees for no services and all the other things that they were doing — and they're still doing it.

"The ink isn't even dry on the apology and they're still carrying on business as usual".



Naomi and Daryl were friends for 35 years and he appointed her an executor of his will.  
(Supplied)

## **AMP informed of death within days**

Mr Oehm died on a Friday, after the rapid progression of the prostate cancer he had only been diagnosed with months earlier.

"It was very quick," Ms Halpern said.

"[Doctors] were talking about maybe having something like two years ... but then it became really quite quickly apparent that he didn't have that long."

On the Monday, Ms Halpern contacted AMP, along with a short list of other institutions Mr Oehm dealt with, to inform them of his death and send documents proving herself as executor.

The estate was not complex and was to be divided between Mr Oehm's partner and adult son. A letter from AMP detailed all of his accounts and the process continued in an orderly way.

However, in January Ms Halpern received a statement from AMP for accounts she did not know existed.

"It had [fortnightly] withdrawals ... that went from December through to January," she said.

"I was looking at this very confused, as he died in October and I have been told that the accounts were frozen, as they should be by law."

When Ms Halpern probed AMP and asked for the statements dating back to October, she discovered the statements were still being emailed to Mr Oehm's account.



Daryl Oehm with his partner Nit before Daryl's death from cancer in October 2018. (*Supplied*)

"I said, 'Well I'm not entirely sure, but my understanding is that dead people don't check their email'."

## **'No excuses' for charging the dead**

Alan Kirkland, the chief executive of consumer advocacy organisation Choice, said there were no excuses.

"Once a company is aware that someone is dead, it is absolutely illegal to continue charging fees," he said.

"Really this is a question of fairness — is it fair for AMP to not disclose these other accounts, to not make every effort to find them? We would say 'No'.

"With the approach [corporate regulator] ASIC is taking with companies for not acting fairly in providing financial services, AMP should be really, really worried about being exposed for this kind of conduct."

In a statement, AMP apologised to Ms Halpern and the estate of Mr Oehm and reiterated that any fees charged had been returned in full.

"Unfortunately, in this instance, the executor of the estate was given incorrect information about the process, which was also not handled quickly or efficiently," the statement read.

"We sincerely apologise for this experience and are in contact with the executor to provide support.

"As a priority, we are reviewing our process around deceased estates to prevent a recurrence of this incident."

## **Royal commission revealed not even death stops fees for no service**

Along with [the Commonwealth Bank](#) and NAB, AMP was part of one of the most shameful scandals to emerge from the royal commission— charging customers it knew had died.

In AMP's case, 3,124 members had been charged about \$922,000 in life insurance premiums despite being told the members had died.

The issues were in wealth management and insurance, [leading to an excruciating exchange](#) between commissioner Kenneth Hayne and AMP's then group executive of wealth solutions and chief customer officer Paul Sainsbury.

Hayne: Charging premiums for life insurance to someone who is dead, that's the position, isn't it?

Sainsbury: Yes, that's the way the system is treating it today for a portion of our business.

Mr Sainsbury left AMP days after [the royal commission's final report was released in February](#).

AMP was ripped open for lying to regulators and charging hundreds of millions of dollars in so-called "fees for no service", losing its chief executive, chair and half its board.

Its shares have shed \$10 billion in value and are now worth less than half what they were before the Hayne inquiry.

Mr Oehm died as the royal commission was wrapping up and consumer groups have expressed concern that companies have not changed since the inquiry.

"AMP was exposed for knowing about these problems, profiting from them, not doing anything ... and yet it still doesn't seem to have cleaned up its processes to stop charging fees when it finds out that somebody has died," Choice's Mr Kirkland said.

"That is absolutely appalling."

## **Test case for new banking code of practice**

The case is a public test of a new code of practice pushed by the industry's peak body, the Australian Banking Association.

After criticism that previous codes lacked punch, the association created the Banking Code Compliance Committee (BCCC) to "monitor and oversee compliance with the code".

The committee has power to investigate breaches of the code and can apply sanctions such as naming the organisation or requiring staff to be trained.

The association said the new code required institutions to be proactive.

"Banks must report any breaches to the BCCC within a six-month time frame. Customers can also raise an issue with the BCCC at any time and have their complaint investigated," a spokesperson said.

**"The BCCC has the power to refer a bank to ASIC if they are not satisfied with the action taken to rectify serious or systemic ongoing customer issues."**

More than a year after her friend died, and eight months after his dealings with AMP were completed, Ms Halpern is angry on Mr Oehm's behalf for the way he was treated by AMP after having been a loyal customer.

"You have been exposed as being an organisation that was blatantly flouting rules and regulations. You have said to the commissioner, to the public, 'We recognise this is a problem, we are appalled at what we've uncovered'," she said.

**"What is it going to take to do something about it? And yet this behaviour is still going on."**