

Plea for integrity – retrospective financial redress NOW

14+ years on victims are left without retrospective redress: no integrity for dignity or a fair go despite having been key amongst calls for the Hayne Royal Commission

- The Turnbull Coalition was dragged kicking and screaming to the Hayne Royal Commission. Morrison's Coalition also **would not meet with us** regarding "*financial misconduct*" – sanitized terminology for industry financial abuse enabled by gross failures of institutional responses.
- HNAB-AG representatives met with parliamentarians, in Canberra and locally, including then Leader of the Opposition, Bill Shorten, in regard to sophisticated **multi-lender / product collaboration** with notorious so-called "*independent*" adviser **Peter Holt**. We made the case for **integrity, reform, accountability and redress** for financial devastation with dire consequences across all aspects of life.
- Those victims **worst affected** (*relative to their situation, not dollar amount*) – loss of home, lifesavings, retirement, 'investments' – or bankrupted are **most adversely impacted by AFCA's grossly inadequate cap of \$500,000. A CSLR cap of \$150,000 is even more insulting tokenism**. This is for those '*lucky*' few not excluded by design.
- We oppose caps on financial redress, for pragmatic and ethical reasons impacting all Australians. If imposed **caps must at least provide meaningful redress**. Victims must not be cast aside, homeless, couch-surfing: **betrayed, traumatized forgotten people**.
- Closer to a **fair go compromise** was Labor's 2019 proposal of capped **restitution of \$2million** (for direct, indirect and compounding losses) **with compensation of \$1million for personal injury**.
- We are in this nightmare through no fault of our own. We accepted professional advice and management in order to be responsible for our financial futures. Traumatized victims should **not have to fight relentlessly for good people to do something about bad things others chose to do** enabled by power structures.
- **Eligibility parameters exclude the very victims who stood up** against financial misconduct since 2008. The **CSLR cap of \$150,000 is not adequate to replace a home** (property values have almost trebled – *or more* – since victims were forced to sell or bankrupted due to deceptive debt and losses). Nor is it adequate for retirement, for victims in hardship or facing poverty through **no fault of their own**.
- Recent research over 20 years in the prestigious *Journal of American Medical Association*, shows middle-aged and older people experiencing an adverse financial shock losing 75% or more, and particularly their home, are at **grave risk for serious physical and mental health repercussions including suicide and early death**. AFCA and CSLR ignore such data – and us.
- There are **200 suicide attempts each day** in Australia, 8 people complete, 6 of these are men. Trauma is key. Misuse or abuse of power and trust violates basic human rights. Financial misconduct, like family violence, rape, sexual or physical assault,

emotional abuse, torture, bullying etc. incurs severe life-altering psychological and physical, even fatal, impacts. Yet **no statistics exist in Australia on mental health impacts, and suicide, from financial misconduct** related trauma.

- The abysmal state of financial **redress fails to factor that those worst impacted** by financial misconduct (i.e. relative loss percentage) **are, again, the most significantly disadvantaged.**
- **Older Australians** don't have time to rebuild or start over. **Renters and single people** face poverty on the pension. **Women are even worse-off** if divorced (common after trauma), or if single: should any superannuation remain after misconduct, they have an average 47% less than men.
- Former PM Scott Morrison displayed no willingness to engage: no integrity, humanity or compassion. As long as the banks and the finance sector were happy, with donations rolling in, **victims would be sacrificed to vested interests and systemic corporate greed.**
- Labor got many things **right in 2019 that we predict** will inevitably have to be revisited in the future **including tax reform** if a fair society is to be created without an **ever-increasing divide between rich and poor.**
- **Labor must not now morph into a Morrison / Coalition government by refusing fair redress.**
- There is a **direct parallel between institutional responses to child sexual abuse**, to that of industry, regulators and governments over *"financial misconduct"*. With almost 30 prior inquiries, over 3 decades and a marked increase in reports post-GFC, no politician should have been shocked by the revelations of the Hayne Commission.
- Only largely **simple, single-product cases were scrutinized** at the Hayne Royal Commission. **No witness** was called to testify about complex or **sophisticated** multi-lender/product white-collar crime or the role of *so-called "independent" third parties, liquidators, lawyers, advocates, associated parties* etc. amidst serious concerns reported by HNAB-AG and other victims' groups.
- Prime Minister Albanese backs the **very values and principles that demand**, at minimum, **meaningful financial redress retrospectively** for people such as Holt-victims. Australia must not be a place where the rich benefit at the expense of the poor, while offenders and their ill-gotten profits are protected at victims' expense.
- Some forms of *"misconduct"* or abuse are easier – in part – to remedy than others. **Proper, swift, redress** for financial services and banking misconduct would have **averted tragic** personal cascades of repercussions for victims and their families.
- The rorts, rip-offs, jobs for mates and scandals, that particularly characterized the Morrison-government, is a mentality **devoid of moral compass**. It reflects a will to **flagrantly betray** Australia and Australians.
- **Accountability requires redress for losses and impacts.** Impact on the bottom-line of shareholders and stakeholders would create demand for ethical conduct and

adequate consumer protections to ensure industry is responsible. Ultimately, a win-win.

- Government-instigated, genuine, direct, ongoing, trauma-informed **engagement with victims is essential** to understand issues and design strategies to repair, reform, redress and reduce future “*misconduct*”.
- Previous successive governments, at best, **ticked boxes**. Involvement was cursory if at all. Requests to meet ministers and prime ministers were ignored or dismissed. **Insulting pro forma replies** (once eventually sent) did not address concerns and stated information evident was understood and which had prompted our correspondence.
- A **victim-centred response** is required for any culture to understand, reform and evolve to the benefit of all. Power structures must not repeat the children’s story *The Emperor’s New Clothes* over and over and over...
- Former PM Morrison spun the cruel **victim-blaming** line, “*Those who have a go, get a go*” to abdicate his government’s responsibility. All too many Australians, including victims of “*financial misconduct*”, would disabuse anyone of that notion who will listen, look and care.
- We must not be **re-victimized** (*yet again*) by the CSLR or **failure to create a specific mechanism** to ensure redress for victims in our shoes. Nor should our plight depend on individual politicians’ personal experience, or that of their loved ones, to be able to recognize ethical action is urgently required. We have been **kicked down the road** too long: don’t kick us into oblivion **under your watch** Prime Minister Albanese.
- Democracy means **genuine engagement** with citizens – and those impacted adversely – with **integrity and courage to act** in good faith for **what is right** for society versus what is profitable for power structures and certain individuals.
- **Leaders who walk by**, denying or minimizing victims, typically **inflict a substantially greater traumatic impact** than the devastating original victimization. This escalated re-victimization cannot be overstated across all forms of trauma and abuse.
- Change on these issues regarding “*financial misconduct*” is **long overdue at our expense** – and also that of the nation and future generations.

14 years on from the “*financial misconduct*” – industry financial abuse – that was exposed in 2008, and after our participation in some 30 parliamentary inquiries, committees and reviews, we **wrote to Prime Minister Albanese seeking to meet** together with the **Treasurer** the Hon. Jim Chalmers, the **Minister for Finance** the Hon. Katy Gallagher, and the **Assistant Treasurer** and **Minister for Financial Services** the Hon. Stephen Jones to discuss the urgent matter of **retrospective financial redress**. We ask the Albanese government to work with us.

Victims’ voices matter. The consequences, including and well beyond financial, suffered through no fault of our own, matter.

Susan Henry
Chair, HNAB-AG
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