



## **MEDIA RELEASE – WA'S CONSUMER ADVOCATES RESPONSE TO THE ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING, SUPERANNUATION AND FINANCIAL SERVICES INDUSTRY FINAL REPORT**

### **Finally, a voice for consumers ripped off by banks, superannuation and insurance companies**

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The Western Australian Council of Social Service, Consumer Credit Legal Service of WA, Financial Counselling Network and the Financial Counsellors' Association of WA welcome the much-anticipated release of the final report, *Royal Commission on Misconduct in the Banking, Superannuation and Financial Services Industry*.

"For too long banks and financial services have placed greed and shareholder profit over the rights and needs of its customer. The Royal Commission heard story after story about the banks breaching responsible lending practices and this left many consumers in financial hardship and stresses," said Gemma Mitchell, Managing Solicitor at the Consumer Credit Legal Service.

The report comes after strong advocacy by consumer advocates who continually raised concerns about the banking and financial services sector's practices.

Offering increased credit card limits to a self-identified gambling addict, selling life insurance to Aboriginal people living in remote communities where English is not a first language, charging fees on accounts of people who are deceased, irresponsible lending to people who do not have capacity to repay the loans are just some of the practices raised by brave consumers and consumer advocates who gave evidence at the inquiry.

The report - which for many in the sector makes for sober reading – makes 76 recommendations, a number of which relate to support for and funding of services. Financial counselling, community legal services, and other community services are often left to pick up the pieces where banks have failed. It is imperative that the Federal Government takes action to increase funding for services that assist people who are financially vulnerable, and this funding must be coordinated and consistent. Hayne makes mention of this and the important work of the sector on page 493 of the report.

"Every day our financial counsellors see the impact these unscrupulous lending practices have had on West Australians," said Celia Duffall, Financial Counselling Network Principal Officer. "We don't anticipate demand will ease anytime soon as our financial counsellors currently turn away as many people as they're able to see. We're also aware that there are many more people who are struggling with mortgage stress or financial debt but unaware of the financial counselling or community legal assistance services available to assist them."

“This report gives voice to all those consumers who all too often are ignored or sidelined by the institutions which should have been acting in their best interest, not that of their shareholders,” said Bev Jowle, Executive Officer of the Financial Counsellors’ Association of WA.

“Protecting consumers, particularly those experiencing hardship, from being preyed upon by unethical bankers requires easy and free access to financial counselling and community legal services. If the government wants to prevent this situation from happening again, they must commit to providing the necessary funding to make those services readily available to everyone who needs them,” said Louise Giolitto, CEO, Western Australian Council of Social Service.

“What is needed now is swift implementation of the reforms in consultation with community and consumer groups and before they have had the chance to be watered down by industry lobbyists,” concluded Gemma Mitchell.

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