National Australia Bank and farmers just don't get along

Summary:
Michael West exposes yet another NAB farmer scandal. How do bankers justify destroying people with "penalty interest rates" of 25%? They can't. They just do it because our politicians and Australian Courts let them.

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Banking Company: NAB
Bank Malpractice Type: Predatory Lending
Unconscionable Conduct
Author: Michael West
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Blind Injustice

National Australia Bank has been charging an elderly blind farmer from rural Victoria 28 per cent interest rates on his mortgage.

The punitive charges were more than 25 per cent above the Reserve Bank cash rate for the past two

years, and even beyond credit card charges, at a time when the region of Northern Victoria, where he grows peas, wheat and other grains, was affected by drought.

The farmer, who spoke to michaelwest.com.au on condition of anonymity, is negotiating a settlement with the bank via advocacy service Unhappy Banking. The bank declined to comment on the matter except to say, “To respect the privacy of all parties we are unable to comment on the specifics. We will continue to work with the client on this matter.”

On the farmer’s bank statements – those pertaining to $1.8 million in loans at rates of 28.12 per cent and 27.37 per cent – there is no mention of “default” or “penalty” rates. He had previously been paying 15.87 on a default account for a loan facility of around $400,000. Subsequently, in 2014, the NAB rolled his loans into a “matured facility account” for $1.8 million, whose interest rates started at 28.12 per cent.

As part of his dispute resolution, the farmer recently asked the bank for his loan documents and these were duly provided. However, he told us yesterday the interest rate figures on the statements had either been removed or omitted.

After complaining earlier this year about the usurious interest rates, the bank lowered the interest charges to 17.37 per cent.

Since 2014, the farmer has accrued more than $1 million in interest charges on his $1.8 million loan.

UPDATE:

Once Michael West's article began spreading over the internet. NAB released the following statement directly to Michael.

Hi Michael,

Thanks for your email and for your interest in this matter.

I can confirm that the interest rate charged was an error, and it should not have been charged at that rate.

We have refunded the amount to Mr Mann’s account. This was processed late last week and has been communicated to Mr Shannon who is representing Mr Mann yesterday.

We have been and will remain in communication with Mr Shannon about this issue.

This should not have happened, and we will be apologising to Mr Mann for the error.

We will be meeting with Mr Mann face to face to offer our sincere apologies for the error and for the delay in rectifying the error.

This was a mistake, and we have rectified the matter and do sincerely regret any anxiety this has caused Mr Mann.

Thanks for your email Michael, and for your ongoing interest in this matter.

ends

michaelwest.com.au

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NAB is on the ball - they discovered this "error" two years after they began charging these horrific interest rates. NAB gets away with this sort of rot because of unfair contracts. Bank Reform Now is fighting to have that issue raised in the soon to be Royal Commission into banking and finance. The banks include an Irrevocable Power of Attorney in their contracts. This allows them to do virtually whatever they want regarding your accounts, debts and money. Great work from Michael West and thanks to everyone who helped expose yet another NAB rip off. BRN has been working on similar cases and we will be fighting to have NAB publicly apologise and compensate the victims.

Websites For More Information: Blind Injustice
http://www.michaelwest.com.au/blind-injustice2700-2/

Source URL (modified on 5 Dec 2016 - 2:23pm):
https://www.bankreformnow.com.au/node/245

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