Finance leaders exposed - no ethics, no heart, no competence

Summary:
BRN and the merry bank warriors came to Sydney for Round 7 of the Hayne Banking Royal Commission. CBA, Westpac and ASIC were in the dock. QC Rowena Orr stripped the Emperors of finance bare. It was painful. How do these characters even think they deserve to be paid multi million dollar salaries?

Scandals, incompetence, chicanery, greed, deception all laid out forensically by the brilliant Counsel Assisting Rowena Orr. There is a cancer in our finance sector and it is killing our country. We need people like Ms Orr to cut it out. We cannot be free until the disease is cured. The Royal Commission needs to be longer and stronger. There are other players in the sector - including ex-CEOs - that require Ms Orr's healing touch and attention.

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CBA CEO and Chair laid bare at the Banking Royal Commission

The Royal Commission's star Counsel Assisting, Rowena Orr QC, has stripped the bankers and

regulators bare with surgical precision. The emperors have no clothes. The Bank Reform Now team of warriors has been watching the action at the Sydney round of the Banking Royal Commission this week. What have we learned? How much deeper do we need to go?

CBA's Matt Comyn has very smoothly spilled the beans. CBA Chair Catherine Livingstone - not quite so smoothly - has shown that the problems with their bank are cultural, structural and deeply ingrained. Profit at all cost was the driving force. Greedy bankers prepared to do anything to "earn" a buck.

Comyn and Livingstone had so much back scratching going on they would have needed medical attention after the performance.

They both put a few (ex) friends under the bus - **did you hear the ambos coming for ex-CEO Ian Narev, ex-Chair David Turner and former head of wealth management Annabel Spring?**

And what about **David Cohen** - chief risk officer in 2016 - **advocating full bonuses be paid despite knowing about all the scandals and the risks they posed once properly exposed?** He's now deputy CEO - not for much longer we suspect.

All the scandals we have learned about during the Royal Commission were known by the bank's board and executive elite for years. Money laundering; terrorism funding; rate rigging; insurance rip offs; tinkering with Dollarmite accounts; selling junk insurance; fees for no service; commissions for no service; fees for the poor, the hungry and the dead.

You were to be charged whether you needed a service or not; whether the service was of any value to you at all or not; whether you had a pulse or not. Truly pathetic.

And this is just the first of the banks, in the first few days of the two weeks where the big four banks CEOs are scheduled to appear.



BRN CEO Dr Brandson claims that -

"victims of predatory banking have been well and truly vindicated. The industry is

profiting from crime. The bank boards have knowingly allowed indictable offenses to be carried out. Past CEOs and board members must be held to account."

And ... Scott Morrison's LNP said the Royal Commission wasn't needed?? The then Treasurer said there was no need for any inquiry because he already knew what the banks were doing. Not a good look now. Six weeks before thirty five bank warriors told their stories at Parliament House in August the ALP joined with the LNP and **voted against** a Senate motion to extend the Royal Commission.

Commissioner Hayne and his team have done a brilliant job with the time they have had and the limited terms they were given. **Rowena Orr told Dr Brandson after Monday's hearing that there wasn't enough time to call in Ian Narev.**

The solution is simple she was told **"extend the Royal Commission."** Of course she responded with a smile - "it's not up to me."

We know who it is up to - **Scott Morrison needs to make it clear to Hayne that the finance sector must be reformed and that the government wants the Commission to have more power and time to do the job properly**. Is Morrison scared the banks will hurt our economy? All the more reason to take decisive action right now.

Without a trustworthy finance sector we are doomed anyway. It is critical we have bipartisan support for genuine reforms to the finance system. There must be no ambiguity. **The ALP, LNP, the minor parties and independents must unite to call for a longer and stronger Royal Commission.**

Please consider - every dodgy product sold; every crooked staffer employed; every conflicted broker paid; every useless regulatory agency funded; every lawyer charging fees to use deception to protect a bank; every loan given for an unaffordable house; every politician paid for not representing the county's interests - is adding to the GDP.

The economy is pumped up on corrupt dealings. Yes - every junk insurance policy shows up in the GDP our leaders love to crow about. **Years of "jobs and growth" is all based on fleecing the people** one way or another (see link below for the GDP alternative - BRN's Wellbeing Index).

Dethrone The Kings

If a bank executive, financial planner and even CEO wants to live like a king - what they need to do is marry a queen, or perhaps provide a service or develop a product which is of genuine use to people.

These guys obviously think they are smarter than neurosurgeons, rocket scientists ..... maybe Ian Narev should have shown us how he deserved to live like a king by producing and bringing to market ..... say ..... a pocket sized computer that joyful, eager and willing customers could use to enhance their lives ..... and even communicate with each other ..... securely, safely, and privately.

The point is - the planner is wealthy not because he can generate a good income from useful work. If he had the ability to create a multi million dollar business he would have. No - the planner and the others in the finance sector find someone who has worked hard to provide useful and wanted goods & services. Then **they work out how best to harvest as much as possible out of those hard worked for assets.**

Of course you need to also consider why you need a planner or even an accountant in the first place. The **government has made life much more complicated than it need be.** You can't just work and save. Your time and effort is not your own. You are treated as a registered government (or is that - corporate?) owned and controlled asset. So all sorts of red tape and restrictions are applied to waste your time and money. The concept of you being free to interact socially and economically with others is now long forgotten.

The system has been structured in a way that enables the elite to siphon the country's wealth into their hands. **Intermediaries in politics, law and business facilitate this wealth transfer.**

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Some facilitators are "useful idiots" while some are system supporters because they are extremely well paid for their loyalty and services to maintain the system.

With such a complicated system you can't make a move without paid for professional guidance - the **government has in effect created a make work scheme for lawyers, planners and accountants** - as well as the army of public servants that justify their work by perpetual meddling in your life. **Bureaucracy breeds further bureaucracy which gradually saps the spirit and strength of the country.** It does not need to be so hard for all of us to look after our needs and enjoy plenty of time for the important things in life.

The system can be restructured. It would free up your time so that you are not just considered a unit of economic value. It is now urgent to modify or update the system. **Thanks to Artificial Intelligence and automation there will be a huge increase in people that will be considered to have no economic value. How will they survive? How much of the economic pie will the elite allow them to enjoy?**

The Royal Commission has exposed only the tip of the iceberg.

The **banks cannot get away with predatory unconscionable conduct without a complicit legal and judicial apparatus.** Commissioner Hayne deliberately ignores looking at this - just as he has avoided the liquidators and receivers. He can ask for more powerful terms but he also says it is up to Scott Morrison. Could it be that Scott Morrison is also a "system supporter?"

Hayne also avoids investigating the way the **banks routinely indemnify the lawyers and liquidators that do their dirty work.** If those henchmen are protected and remain unaccountable of course they will lie, cheat and bully to strip the assets from hard working bank customers.

This week's hearings also saw **Westpac's Brian Hartzer** defend his bank by claiming Westpac isn't like CBA. If you are getting profits in any sort of underhanded way you are like CBA.

ASIC's James Shipton had difficulty demonstrating any degree of professional determination to hold bankers accountable. **ASIC doesn't even take notes of its meetings with members of bank boards. Cozy deals after a fireside chat with bankers seemed to be the method of choice.**

Crimes must be prosecuted, CEOs and directors must be held accountable. Nothing else will change the culture that bankers, politicians and regulators have allowed to be created.

Progress is being made

It is worth noting that while the revelations this week were amazing .... and horrifying. We are detecting signs of reform. Yes - the bankers and politicians had to be dragged to the table. Yes - years of hard work from activists, whistleblowers, brave victims and journalists was required. Kudos to Adele Ferguson, Clancy Yeates, Sarah Danckert, Dan Ziffer, James Eyers, Michael West, Jeff Morris, Dr Benjamin Koh, Pieter Van Der Woude, Evan Jones, John Salmon, Russ Cousins, Robbie Barwick, Denise Brailey and so many others. All champions in the battle for reform.

Fairfax and the ABC seem to be the media drivers - great exposes regularly seen on Four Corners (Sarah Ferguson), 7.30 (Leigh Sales) and The Business (Elysse Morgan). Why might some journos and commercial news outlets be reluctant to fully expose dodgy bank dealings?

CBA and the rest have now begun properly remediating aggrieved customers. BRN's CEO has met with Comyn and right now he seems genuine in his desire to assist clients that have been wronged by the bank to receive an apology and compensation. Just as the House Economics Committee requested .... legacy cases are being worked through. Yes - we had to put up with form letter delays and denials but the truth always wins in the end. Justice has been delayed but it will not be denied.

The questions are -

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- Will the culture change?
- Will it take the jailing of executives to really change the business model?
- Could a CEO decide that it is time to run an ethical bank?
- A bank where customers genuine needs and requirements trumps the push for ever rising profits, bonuses and dividends?
- Which bank will be the first to dump commission and bonus systems that provide perverse incentives for unconscionable and predatory business tactics?
- Which bank will be the first to commit to genuinely putting the needs of the clients above those of the sales teams and executives?
- Which bank will be first to properly clear the slate of legacy cases that must finally be resolved?

The industry can change, it must change and it will change.

One problem that needs to be confronted - the finance sector is not fit for purpose in several critical respects. Elements of the system - such as insurance and superannuation - really would be better run as non-profit operations. The conflicts of interest are just insurmountable. Mutual funds work ..... and work well. Not everything we do in our lives needs to be organised to give a cut to the financial elite and the governments that serve them.

If you are interested in reforms that will improve the lives of 99% of us join BRN (link below).
Election 2019 will be one where the people win ..... not the parties.

Click here to sign the Petition to extend the Royal Commission.



Websites For More Information: Create a BRN account - it's free
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Sign the Petition for an extended Royal Commission
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