

We note that with well-founded justification other submissions have also criticized the Financial Ombudsman Service (FOS). We also note the FOS's feeble and pathetic attempts to try and justify its behaviour and decisions in response to these valid criticisms of it. Given our, and others, experience with a corrupt Financial Service Provider (FSP) and the demonstrably equally corrupt FOS it is now not unreasonable to claim that the FOS has become a dysfunctional and corrupt organisation that only exists to serve its equally corrupt members who pay it to do their bidding and cover up their corruption.

The FOS's sole purpose is to now silence consumers so that its members can continue to mislead, deceive and steal from consumers. It doles out petty cash amounts while compelling consumers to sign confidentially agreements so it that it can pretend it has 'resolved' a matter while preventing consumers from validly warning and inform others about its corrupt members behaviour.

The FOS relies upon these forced confidentiality agreements so that it and its corrupt members can continue with their corrupt collusion and scamming of consumers. This enforced silence only serves to allow, encourage and exacerbate the wrongdoings of corrupt FSPs and allows the FOS to hide its bias towards them. It is matters like this that give the financial services industry the appalling reputation that it so rightly deserves. The FOS now has a demonstrably equal share in that well-deserved reputation.

Consumers are reasonably entitled to a high level of logic, reasoning, fidelity and integrity from the FOS. However, the FOS fails to deliver on its obligations to Australian consumers. The bias of the FOS towards its corrupt members, over consumers, is blatant and disturbing in the extreme to any reasonable and fair minded person.

Corrupt FSPs, through their collusion with the corrupt FOS, are allowed to hide their appalling behaviour and dangerously substandard 'advice', and the widespread instances of illegal and unethical behaviour deeply entrenched within the financial services industry. How can the market work effectively when consumers are actively prevented from informing others about corrupt and criminal behaviour?

The now obvious poor institutional culture and low ethical standards of the equally corrupt FOS and its members clearly demonstrate that the FOS does not have any genuine intent or ability to identify, address and help prevent unconscionable, illegal and unethical behaviour of the type constantly and consistently indulged in by its members. The FOS is clearly biased towards its own members and is a sham operation that regards itself and its members to be unaccountable to anyone.

The numerous examples of collusion and misconduct of the FOS as brought to attention of Senate Economics References Committee attention shows that it fails to provide, and in fact constantly and consistently ignores and actively refuses to provide, best practice responses to the types of behaviour its members corruptly indulge in. The events outlined before the Committee provide a clear example of why a Royal Commission should be initiated without delay into corrupt financial service providers.

That Royal Commission should also investigate the FOS and its repeated failure to ensure timely, fair and reasonable justice and compensation for the victims of its corrupt members, and the FOSs own misconduct, so as to help restore public confidence in an industry and an ombudsman service which has been justifiably and deservedly badly damaged by the string of ongoing scandals that they have both now been exposed as being involved in.

Our experience and that of other consumers shows that the FOS does in fact lie to consumers and is actively and consciously misleading and deceptive, incomplete and inaccurate, while lacking honesty in integrity in its words and actions towards consumers, while refusing to even consider the real and demonstrable financial costs imposed upon the consumer by its corrupt members behaviour. The FOS displays a clear bias towards its own corrupt members and actively assists them to evade and avoid dealing with consumers complaints.

The FOS is clearly more concerned with its tick and flick KPIs rather than fulfilling its role of helping ensure that the decisions its conciliators reach are just, fair and aligned with the unctuous rhetoric of its now demonstrably false claims.

For the FOS to allow and support its conciliators and members to collude and lie to consumers is itself a mirror image of the unethical and unconscionable behaviour that brings its members before it. The FOS is bereft of honesty and integrity, characteristics that essential to its function and processes given that its members that come before it are also bereft of them.

The FOS claims that consumers 'agree' to resolutions after being bullied, misled, deceived and lied to by its conciliators and its members is now palpable nonsense. For the FOS to now respond to consumers submissions in a pathetic attempt to defend its corrupt behaviour and blame the victims of its corrupt members shows how dysfunctional it has become. Its members know they can continue to operate in a corrupt manner with immunity perpetually granted to them by the FOS in the secure knowledge that their days of getting away with misconduct, whether it is a breach of law or not, are protected by the FOS, the organisation that is meant to help protect consumers from them.

Confidence and trust in the financial services industry has been constantly and consistently shaken by ongoing revelations of scandals – with more to come - which have resulted in tens of thousands of Australians being ripped off, including those who have had their retirement savings gutted and families who have been rorted out of hundreds of thousands of dollars, the FOS knows it and allows and encourages it through its actions and inactions. Its conciliators and members lie to consumers with the sole purpose and intent of 'make it go away'.

The FOS is bereft of the high-level sound reasoning, logic and integrity that its position of great trust requires. It, however, instead chooses to indulge in self-serving school yard justifications that irreparably undermine its position of trust and confidence. It is apparent to the reasonable, untainted observer that openness, honesty, transparency and fairness only apply when the FOS and its members aren't required to suffer any adverse consequences for their corrupt, misleading and deceptive conduct.

Despite its high obligation to always be open honest and transparent the FOS has failed in its duties to consumers including by allowing its conciliators and the FSP to lie to consumers. The

FOS is grossly biased and selective in only considering any matter solely from its member's point of view, in order to self-justify its own corrupt collusive behaviour.

Apparently it is OK by the FOS if its conciliators bully consumers and refuse to examine issues in a meaningful way and to mislead and deceive consumers and to allow its FSP members to also continue to mislead and deceive. The FOS is the tick and flick division of corrupt FSPs who use it to declare that the forced, and false, 'resolutions' achieved are an indication that the system is working.

In reality the FOS is abusing its role and obligations so as to force consumers to 'go away' (and remain silent) so that corrupt FSPs can remain corrupt and other consumers can't be made fully aware of the entrenched scams that continue, with the active support of a dysfunctional and corrupt FOS.

The FOS is failing in its duties to consumers and has been caught out pandering to its corrupt members. The FOS has become part of the problem not part of the solution. Consumers can have no confidence in a compromised FOS.

Some of the FOSs appalling and corrupt behaviour has been exposed before the Senate Economics References Committee. It must be desperately hoping that no more of the tip of the iceberg is exposed.

The FOS has become a corrupt organisation that now serves only its equally corrupt members. When confronted with that corruption it chose to enforce, entrench and defend it.

Who watches the corrupt watcher?

Yours sincerely

*David Bibo*

David Bibo  
22 June 2017

320 / 240 Bunda Street Manhattan Building  
CANBERRA CITY ACT 2601  
E: [dcbibo@gmail.com](mailto:dcbibo@gmail.com) M: 0433 116 450