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My brief submission, as follows, is in response to your initial review of the financial system external dispute resolution framework (Review). It is focused on the Panel's statement that consumers and small businesses that have obtained a decision from any dispute resolution process (including from a tribunal or a court) have had access to redress and therefore are outside the review's amended Terms of Reference.

Such exclusion for those that have attempted to have their disputes resolved would be a gross injustice to many innocent and victimised customers of financial institutions. For many small businesses they have no where to go and their attempts to resolve and seek compensation is drowned by the might and power of the financial institution. Moreover, the likes of the Financial Ombudsman and ASIC have failed in assistance. FOS for example have a cap by dollar (maximum $500K) and ASIC state that unless it is in the public interest they will not look into disputes: ASIC have also stated that they are limited by a lack of resources.

The Court system is the bank's friend. The bank will control the process by the appointment of receivers that will drain one of cash resources thus the victim will be unable to hire a capable legal team. The bank's legal counsel then will approach the court to seek surety of their costs and given that they have a large legal team, and an expensive one at that, the in balance of costs puts the victim out of the race before the merits of their case is aired.

I draw your attention to the [redacted] in December 2008. Discovery of information of this Bank's constructive defaults of a very large number of commercial performing [redacted] loans, is still surfacing which clearly provides evidence of the Bank's fraudulent, unconscionable and conscience misconduct to gain a benefit for the Bank at the peril of the [redacted] customer. To exclude this customer from your dispute resolution process would be an immoral and unjust decision to enforce. Despite past so called attempts for dispute resolution attempts these cases must be reviewed again given new evidence and circumstances.

I note from the Australian Bankers' Association Inc submission dated 1 February,2017 to yourselves that they state:

.."In April 2016, the Australian banking industry, in acknowledging there is more to do to promote good customer outcomes and to demonstrate sound practices so customers have confidence in the culture and conduct of banks, announced a package of initiatives to protect consumers interests, increase transparency and accountability, and build trust and confidence in banks."

The initiatives mentioned included enhancing existing internal complaints handling, supporting the broadening and strengthening of external dispute resolution schemes, working with ASIC and evaluating a last resort compensation scheme and identifying an appropriate model. The ABA went on to say that these initiatives would make it easier for customers when things go wrong.

My experience with the [redacted] communication with their internal dispute resolution team and its senior executives and board was one of hypocritical by nature on their part. So the ABA's promise of change in a banks' attitude is a confidence trick. The [redacted] either ignored my request for review and settlement or, non acknowledgement or, took on the form of a legal counsel and stated that I was wrong and they never did anything wrong. They concluded they do not intend to correspond with me again. So, based on your proposal I would be outside the review's amended Terms of Reference because I attempted to gain redress "from any dispute resolution process".

At this point I must highlight that there appears to be attention on consumer and not small business definition: a clear distinction between two customer segments. The consumer is cared for by law and the likes of FOS but the small business category has no "carers" or apparent protection other than the judicial system. We are a forgotten and abused customer base. Our treatment by the [redacted] through, their misconduct, cannot be discarded because there has been an attempt of dispute resolution in one form or another.

Would the judicial system not reopen a murder case if new evidence was found? Then why would you ignore the reviewing of [redacted] victims; there are similarities of outcomes at the hands of the [redacted]. [redacted] performing loan customers have long suffered and continued to suffer from financial losses, humiliation, loss of families and, worse, at the hands of the [redacted] fraudulent and unconscionable defaulting and financial ruin of the [redacted] "targeted commercial loan base".

Our suffering is continually reminded each time there is another Government review of the financial system. Our participation is not for the prevention of misconduct of future customers at the hands of the likes of the [redacted] senior executives and board, it is to try and convince the powers to do something about the past victims and force compensation from those that acted as criminals. Don't believe changing the goal posts in an attempt to prevent as an example of what happened to the [redacted] commercial businesses, will not occur again. The trickery of law and wording of documentation will give the "crook" just another lock to pick.!

You will play into the hands of the banks if you are trying to fix the problems going forward. They fear most a review of their misconduct of past customers with a compensation strategy to be considered by a dispute resolution mechanism. The court process is controlled by the banks for many reasons; it is not a level playing field.

I attempted to bring my case in the Supreme Court of NSW with a clear case of fraudulent and misconduct by the [redacted] but they manipulated bankruptcy on me and had the bankruptcy trustee withdraw the application in court. Therefore, the merits of my case have never been heard in the court process.

My Case for your background information.

1) My submission to the Parliamentary Joint Committee on Corporations and Financial Services dated 17 August,2015 noted as submission No. 101 refers.
2) The [redacted] constructed a default by stating that I had not returned a Letter of Variation within its due date when I had. The Bank had subsequently issued four replacement LOVs thus making the reason of default invalid and fraudulent.
3) The Bank said I had breached conditions covenants but could not state which ones. Six years later they said it was because I did not obtain a development consent to my developments. Strange when the Bank lent against my developments and I had obtained occupation certificates on completion. Cannot do that without a DA approval. A lie by the Bank.
4) The Bank stopped processing an application for $400K to complete a building which they had started to fund because there was a "hold up" in their credit department. Requested of short term fund until they reimbursed me. They reneged on this promised thus short changing my working capital. Even Judge Hammerschlag during a directions hearing said" Eriksson may have a case because the bank duded him".
5) The Bank had approved three year investment loans which would refinance the construction loans. They cancelled these so they could use an excuse that my construction loans had expired therefore I was in default.
6) The Bank appointed receivers on short notice in 2010. They stated to sell up my properties. We started court action to prevent this. The Bank requested mediation and this was concluded in 2010 on Christmas Eve. The Bank gave me approximately $3m in compensation as a result, provided I paid out the balance of the loan within four months-30/4/2011.
7) The Banks receivers refused to hand over all accounting records to allow my public accountant to prepare accounts for the incoming refinancing banks. Delays occurred as a result but loan refinance offers were obtained from the [redacted]. Copy of these offers were notified to the then [redacted] and the Bank's credit asset management team.
8) Settlement from the new banks could not happen before 30/4/11 so the [redacted] extended the settlement date until 31/5/11. I paid $1.35m as a special part settlement on 27/5/11 and the Bank accepted this with an invitation to meet to discuss moving forward.
9) The Bank cancelled the meeting and issued by email a default notice on 1/6/11 and reappointed receivers that morning. They gave me less than three hours notice to payout the loan. This was despite notices from incoming banks that loans were approved to payout the Bank.
10) The Bank then obtained a Judgement against me and my companies in July 2011 but they falsified their affidavit by not telling the Court that they had extended the loan date by mutual consent to 31/5/11 and that they had accepted part settlement. They backdated their loan repayment date to construct a default.
11) My legal team and that of the Bank subsequently entered into a "closed door settlement" negotiation. It was agreed and accepted by the bank's lawyers that they would accept settlement from the new incoming lender the -NAB provided I pay $3,500 for settlement costs. My legal team paid this into the Bank's lawyers trust account.
12) The Bank on the eve of settlement reneged on the "closed door settlement" agreement and instructed the receivers to commence the selling of all properties. They stated the reason why they cancel settlement was because we paid the $3,500 into their lawyers trust account and not direct to the Bank.

13) We had bank finance to payout the Bank. The bank allowed the receivers to sweep all my credit balances including that of my superannuation funds, take from my blue chip tenants in excess of $170,000 in rent to pay legal bills when there was never any court order for costs.
14) The misconduct by the Bank included the condoned misappropriation of funds from our accounts.
15) Receivers sold my properties at less than 50% of four different banks' "for mortgage purposes valuations" including the Bank's independently appointed valuer.

The Bank acted fraudulently, misleading and unconscionably to achieve a benefit that had the stamp of a criminal act. The Bank's board and its senior executives were keep informed of events by myself but they have elected to condone the actions of the Bank. The aforementioned is just a sample of the bank's misconduct.

In summary if your panel fail not to see that a review of past misconduct deeds by the Bank is not justified, then frankly we as victims of BAD BANK behaviour and strategies can never have confidence or faith in a business society which appears to be controlled by gutless regulators and Governments.

Sincerely,

Trevor Eriksson

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