

**From:** Rose Mathews <narmmc@gmail.com>  
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**To:** EDR Review  
**Subject:** Supplementary Issues Paper for the External Dispute Resolution Review

28-06-17

[EDRreview@treasury.gov.au](mailto:EDRreview@treasury.gov.au)

Financial System Division

Markets Group

The Treasury

Langton Crescent

PARKES ACT 2600

Dear Committee Secretariat,

The amended Terms of Reference require the Panel to make recommendations on the establishment, merits and potential design of a compensation scheme of last resort

This is a brief story, we attended investment club spruiker seminars and the promoters recommended property that were overpriced to start with (we know that now), they had their own researchers, bank agents, support members, accountants, solicitors all inside the club – a one stop shop, with a circle of safety, everyone you needed to buy property, and then they recommended we use the equity in our home and apply **through them** to buy investment properties, we wanted a secure investment for our future, they told us we could **not rely** on the aged pension that is their big spiel. Now we know we were victims of deceptive marketing and were encouraged to mortgage our home and another property and now realise we really should not have been given that advice. We trusted the advice given to us by them. After purchasing property through them we are now one and a half million dollars out of pocket, with loss of properties, loss of business, assets and lifesavings, and at risk of losing the family home. We have lost so much, even though FOS found maladministration/fraud, the compensation was minimum. The EDR took 12 to 18 months that is too long while interest and fees continued to accrue. Malcolm Turnbull said to go back to the ombudsman and they will sort it out, FOS and CIO were of no help they said get a lawyer and take them to court. FOS said they will not act on one property as the statute of limitations had run out, we say fraud is a crime and the statute of limitations does not apply.

We know now it was impossible to pay these interest only loans off. These interest only loans must be banned. We would at the very least like to be put back in the position we were in before we met these people.

There is merit in an industry-funded compensation scheme of last resort to provide a solution for uncompensated consumer losses, people's lives left in ruins because the regulatory agencies did not prevent unethical and misleading financial advice. Consumers must have a place to go to have issues resolved in an efficient manner, quickly and with a minimum of resources.

Thank you for your time,

RM