

3<sup>rd</sup> October 2016

The Chairperson  
Treasury EDR Review

Dear Sir/Madam,

**RE: TREASURY EDR REVIEW**

Thank you for the opportunity to provide input into your review of the EDR system. I submitted two cases to the Financial Ombudsman Service last year as a result of requesting a copy of my investment housing loan application documents from the banks. I found a significant number of discrepancies in the banks copy relative to the forms that I had completed, principally relating to my occupation and income, which was overstated by more than 300%.

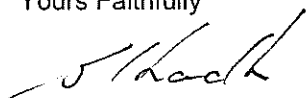
One of my submissions exceeded the claim limit that the FOS has so did not proceed whilst the other continued through to a determination. Based on what I experienced during the process I would like to make the following observations.

1. As the FOS is partly financed by the banks, who pay a fee for each case that is reviewed, this creates a conflict of interest.
2. Cases are reviewed by a bank employee who is based in the FOS office which also brings into question the FOS's impartiality.
3. Based on my true income that was shown in the application forms that I had completed the banks should have been determined that the loan amount was unaffordable, and therefore declined, in accordance with Section 25.1 of the Bankers Code of Conduct.
4. The FOS considered that the Mortgage Broker I used was acting as my agent which is contrary to rulings handed down in various Courts in Australia.
5. I was required to pay Lender's Mortgage Insurance based on the 25 year term of the loan however when the loan was paid out early I didn't receive a refund for the unused portion. Note that I had to sell my home in order to be able to pay out the loan.
6. The FOS's financial determination amounted to approximately 20% of the loss that was incurred which is a very low compensation figure.

I would therefore recommend that a truly independent panel be created to review all financial complaints and that all cases already determined be re-opened and looked at again. It is also essential that a Royal Commission into the banks be held so that the fraud perpetrated by them can be fully exposed.

I am willing to provide any of the documents related to my case if required.

Yours Faithfully



Brett Chandler