

Bail in Response

Interest on savings is at record lows due to the low cash rate at 2.5%; but unsecured credit is still very high (aka credit cards at 16%+). Under the proposed legislation all savings will essentially be viewed as unsecured credit given to the bank by the deposit holders, so if the bank goes belly up tough luck savers you lose. If this is the case interest on savings should reflect the nature of the credit and immediately be raised to the same level as credit card interest, after all you can't have it both ways and the terms of savings accounts need to be changed to reflect the unsecured creditor nature of the bank holding the money rather than claiming it is a savings account.

The Government exists to serve the people, not the banks. So banks claiming it is expensive to fix this problem they themselves created is disingenuous as it is only expensive for them, not their customers. It is just another case of private profit an public debt, set in place to keep the rich wealthy and the poor destitute by transferring wealth from the poor to the rich. It is not only unjust it is also unconscionable and immoral. Banks are private businesses with a mandate to safeguard their customer's savings, as this is money entrusted to them. Gambling with these savings does not reflect this at all; neither does the proposed bail in solution as this just enshrines the bank's already dodgy dealings with a veneer of legitimacy. This proposed legislation means banks have zero risk for misusing their customer's savings and will then also have zero repercussions. It is probably one of the worst pieces of legislation ever proposed.