The buck stops with Matt Comyn

Summary:
All the MPs interviewing Matt Comyn have done a magnificent job. BRN gives kudos to each and every one of them. This article from the AFR's James Eyers is a beaut - kudos to James too. Matt Comyn has work to do. Victims of bank crimes are now organised. We are not going away. The only measure we have is the way banks remediate aggrieved customers and how they act to prevent crimes and misconduct in the future. The environment has now changed. Banks, their directors and their CEOs need to recognise that and change the way they are doing business. The people want an honest financial service system .... we are not here to be fleeced.

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CBA 'abusing the law' fighting vulnerable customers: Labor

Labor MPs have chastised the Commonwealth Bank for its **aggressive litigation tactics and lack of empathy for aggrieved customers** as the bank pledged to do more to ensure deceased estates haven't been charged inappropriate fees following scandals revealed by the banking royal commission.

CBA chief executive Matt Comyn told a parliamentary committee 2500 of its bankers had failed risk management assessments during the latest performance reviews, while 41 employees had been sacked following cases exposed by the royal commission. Another nine had resigned while investigations against them were afoot.

But Labor committee member Clare O'Neil said this wasn't enough; her recent travels around the country with Labor leader Bill Shorten meeting victims of bank misconduct had revealed widespread grievances with CBA's approach to handling complaints, she said.

"I want you to understand that CBA is over-represented in these discussions," she told Mr Comyn, before calling out the bank's aggressive litigation tactics against vulnerable customers.

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Labor MPs Clare O'Neil, left, received a commitment from CBA CEO Matt Comyn to review files of a dissatisfied customer. *Alex Ellinghausen*

"One of the issues I am most worried about coming out of these discussions is the way **I see the Commonwealth Bank abusing the law, the power you have in courts,** the power you have to marshal major large law firms to take on people who are powerless and who are presenting themselves in the Supreme Courts around this country," she said. "And I think that is inappropriate."

Mr Comyn, who was heckled throughout the hearing by a group sitting in the public gallery, was forced to acknowledge "the hurt and the very, very difficult circumstances, that some of our customers have found themselves in, and some of that is as a result of our actions". The prudential inquiry into CBA earlier this year found it had taken an overly legalistic approach towards disputes.

The CBA boss was also put on the backfoot when asked how many "victims" he had met with face-to-face since becoming CEO. He said it was "less than 10". However, he added he'd been engaging with many others via phone calls or email.

Having originally planned on meeting one customer after the hearing who had flown in from Melbourne, Mr Comyn was approached by some members of the Bank Reform Now group during a short break in the hearing, and decided to spend the afternoon in Canberra meeting with half a dozen more customers.

After announcing it would rebate previously charged grandfathered commissions earlier this week, Mr Comyn flagged the potential for CBA to pay additional remediation costs. The bank is reviewing fees charged to deceased estates – conduct Mr Comyn described as "reprehensible" – going back seven years. The bank has already reviewed 140,000 filed but only over a three-month period.

CBA Deputy CEO David Cohen and CBA CEO Matt Comyn arriving for their inquisition on Thursday in Canberra. *Alex Ellinghausen*

"There is no escaping that in fees-for-no-service in the advice business, there simply wasn't the requisite levels of controls and systems and processes to ensure that we could demonstrate customers were only charged for the services they were actually provided," Mr Comyn told the House of Representatives standing committee on economics, chaired by Liberal MP Tim Wilson.

CBA is working to create a new culture that empowered staff to challenge decisions that were not being made in the interest of customers or the bank's revised values, and to strengthen the ability to whistleblowers to make complaints. Mr Comyn said.

"Where there has been misconduct or conduct that does not meet community expectation the consequences will be harsh, they need to be harsh and that can include termination."

The CBA boss also expressed regret that staff had faced abuse and criticism from customers this year, and said **it "should be directed to the most senior executives in the organisation, starting with me".**

The interim report had shown CBA had been "too slow to get to root cause, we haven't fixed issues, and whilst we have invested in things like customer remediation, we simply haven't done enough to prevent instances re-occurring".

BRN Comments

Well done to the House Economics Committee members that are interviewing the big four CEOs -

Chair - Mr Tim Wilson MP - Liberal Party

Deputy Chair - Hon Matt Thistlethwaite MP - ALP

Members

Mr Adam Bandt MP - Australian Greens

Mr Trevor Evans MP - Liberal Party

Mr Jason Falinski MP - Liberal Party

Mr Craig Kelly MP - Liberal Party

Mr Matt Keogh MP - ALP

Ms Clare O'Neil MP - ALP

BRN CEO Dr Peter Brandson had very fruitful talks with some of the the MPs on the committee and several "high profile" bankers. We are expecting a significant change in the way banks treat bank victims. We also expect the Royal Commission to be extended with stronger terms of reference. The politicians we spoke to in Canberra do understand what the banks have been doing. The questions they asked at these hearings nailed it ..... and the CEOs.

Websites For More Information: Source - CBA 'abusing the law' fighting vulnerable customers: Labor - James Eyers
https://www.afr.com/business/banking-and-finance/financial-services/cba-abusing-the-law-fighting-vulnerable-customers-labor-20181011-h16j66

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