Should a bank use an ex-politician to help compensate bank victims?

Summary:
NAB "experiment" fails as bank's victims pull the pin on ex-Victorian Premier Jeff Kennett's role as a mediator. NAB CEO Andrew Thorburn thought it was a good idea at the time. Victims had their doubts but gave the process the benefit of the doubt. Before the Kennett determinations were made the nature of the negotiations had become clear. In a near unanimous decision the victims chose to revert back to dealing directly with NAB executives who have a much better understanding regarding the deep - inner workings of their bank. A great review of the situation from champion journalist Joyce Moullakis - The Australian.

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NAB customers unhappy with Jeff Kennett's 'harsh' mediation approach

The lion's share of a group of customers involved in long-running disputes with National Australia Bank have refused to deal with its appointed arbitrator Jeff Kennett, claiming he has limited knowledge of banking and took a harsh approach.

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The breakdown in the mediation process for the bulk of the 25 cases involving Mr Kennett, the former Victorian premier and chairman of Beyondblue, was communicated to NAB on January 18 ahead of him completing his assessments.

A spokesman for longstanding aggrieved NAB customers, Dr Peter Brandson, who founded the group **Bank Reform Now**, said **many felt Mr Kennett wasn't truly independent, was harsh with people and was "out of his depth" in complex banking cases.**

"By the time people decided to pull the plug on Jeff they felt that they were not getting a fair go and just wanted to continue the negotiations with the executives the bank had originally assigned to them," said Dr Brandson, a general practitioner on NSW's South Coast.

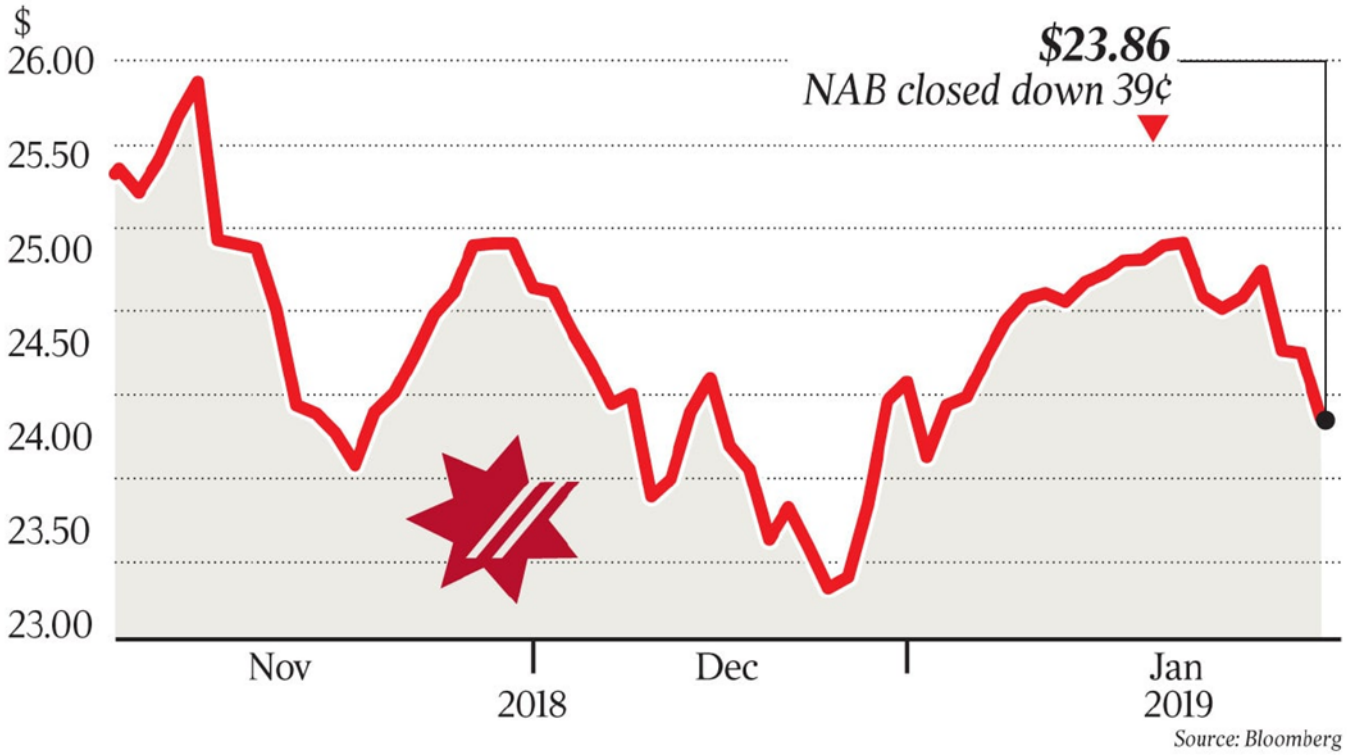
He is also seeking remediation from NAB in a dispute affecting his family and spanning more than 10 years, which he claims involves predatory lending.

"For many years the bank has not acted in good faith toward these victims," he said.

"We also had a commitment from [NAB chief executive] Andrew Thorburn that the bank would supply to the victim any documents required. This has not been honoured."

Late last year, NAB borrowed from supermarket giant Coles' playbook by drafting in Mr Kennett to help arbitrate customer disputes. That followed a pledge by Mr Thorburn after he met with many of the customers after fielding questions at a parliamentary inquiry in Canberra.

While not addressing the standoff with some of the 25 customers, a NAB spokesman said the process with Mr Kennett had led to new offers of remediation.



"NAB is committed to trying different ways to resolve issues for customers," the spokesman said.

"In a bid to solve a number of long-running cases which had exhausted all options, including internal, legal and external reviews, NAB engaged Mr Kennett as an independent assessor to hear from these customers and to understand their situation. As a result of this process we have been able to make a number of offers to customers based on Mr Kennett's independent assessment."

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The appointment by NAB is understood to have been linked to Mr Kennett's prior work for Coles, which hired Mr Kennett after he referred the company to the competition regulator in 2013 over false "baked fresh" bread claims.

Two years later he was adjudicating between Coles and its smallest suppliers.

The NAB arbitration process is said to have led to offers of more than $5 million being made to disaffected customers.

Another aggrieved NAB customer, Selwyn Krepp, who hadn't rebuffed discussions and mediation with Mr Kennett, said he was **disappointed with the process.**

"I really see the process as a box ticking measure. My biggest disappointment with the Jeff Kennett process was there was no detail provided on what he needed to be presented with," he said.

The now superseded Financial Ombudsman Service ruled substantially in favour of NAB in Mr Krepp's case.

The other large banks and AMP are also undertaking their own internal reviews and remediation programs ahead of the final Hayne royal commission report being made public on Monday afternoon.

The banking sector's compensation and compliance bill — across the big four — has swelled to more than $1.4 billion.

The total, as the royal commission's work ends, is expected to be multiples of that.

NAB was in hot water over several scandals during the royal commission, including misdeeds within its mortgage introducer program and its advisers charging fees to dead people or to accounts where no service was provided.

"This is a once in a lifetime opportunity to rejig the banking system to work in the people's and country's interest — it must not be sabotaged or wasted," Dr Brandson said of the royal commission.

He founded the Bank Reform Now group in 2013 and was asked to speak on topics including bank reform and corruption impacting politics and big business when the "yellow vest" movement launched in Australia in January.

Joyce Moullakis is a senior banking reporter. Prior to joining The Australian, she worked as a senior banking and deals reporter at The Australian Financial Review.

BRN Comments

Traditionally bankers used secrecy to pick off one ripped off client at a time. The playing field has now shifted. People that want reform are now organised - co-operating right around the country ... in fact the world. As can be seen with NAB's UK victims recently getting together with bank warriors in Australia to battle another multi billion dollar NAB scandal involving the Clydesdale Yorkshire Banking Group.

The Kennett involvement in remediation discussions has been a bitter disappointment for many victims. BRN's Dr Brandson arranged meetings with NAB CEO Andrew Thorburn and CRO David Gall when the pair appeared at the House Economics Committee to be grilled in October 2018. The pair were presented with a golden opportunity to finally compensate victims that have suffered immensely after bank bastardry left them financially and emotionally crippled - see link below - NAB Grilled or Toasted.

Many people were deliberately prevented by the bank and its agents from readjusting their positions

to get themselves out of difficulty. We refer to this as a step in the asset stripping process. We know of cases where just one property had to be sold and all would be fine but the bank thwarted the sale anyway it could. Pathetic..!!!

Unfortunately the bank seems to have attempted to revert back to the now defunct - Deny, Delay, Deceive routine. These cases could have been sorted out in days or weeks but salt has been rubbed into the wounds with a process that gutted victims over the last three months.

The remediation bill NAB faces is billions of dollars. The bank should accept it, make the best of it and get on with it. Paying will be painful but being dragged kicking and screaming to do the right thing will be much worse. You'd think the bank would appreciate getting kudos for it but bankers just can't stand setting a public precedent whereby victims get properly compensated.

NAB almost ruined the chance of getting a win win outcome with the failed Kennett experiment. Fortunately they can still snatch honour from the jaws of nostalgia. The old days are over. Let's hope they don’t botch this opportunity.

Dr Brandson's speech at the Sydney Yellow Vest launch 19th of January - **right here.** For people sick of seeing their rights and freedoms being sold off and stolen by the corrupt two party system it's time to get active. We want to bring power back to the people by rescuing our democracy. At Election 2019 the people must win .... not a party. It's time for the people to insist on the policies they want. BRN SUMIR program launching soon.

Well done Joyce Moullakis - great to see investigative journalism that gets to the heart of banking.

Websites For More Information: Source - Joyce Moullakis - The Australian
https://www.theaustralian.com.au/business/financial-services/nab-customers-unhappy-with-jeff-kennetts-harsh-mediation-approach/news-story/dfd62e46265c2dca0ab9a5adf61458ca

Related Links: NAB Bank - Grilled Or Toasted?
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