**BRN Advisory Panel Member Michael Sanderson Makes The Case Loud & Clear**

**Summary:**
Angry victims of financial misconduct are calling for a bank-funded legal aid service as they struggle to match the legal power of the big banks. Michael Sanderson has campaigned with great tenacity and determination. He met with and contacted a huge number of politicians in Canberra to show them that effective legal aid was not only doable .... it is essential. Journalist Eryk Bagshaw recognised a good idea when he heard it. Many politicians have also heard the call. At the October meeting in Canberra the bank CEOs will also hear about that and other elements of justice heading their way.

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**Author:** Eryk Bagshaw
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## Calls grow for banks to fund legal aid in cases of customer disputes

A push to get banks to fund legal aid for banking disputes is gaining momentum, as Coalition MPs listen to the pleas of victims of financial misconduct in the wake of a scathing interim report from the banking royal commission.

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Customers have struggled to match the legal power of the big banks, while consumer action law centres are turning away thousands of cases each year. The Commonwealth funding agreement for consumer law centres prohibits them from acting for small businesses or sole traders, including many farmers, and limits them to acting on behalf of individuals.



Michael Sanderson has been lobbying for bank-funded legal aid: "This really needs to happen at the top of the cliff."
*Photo: Alex Ellinghausen*

Frustrated with the mediation service of the Financial Ombudsman, the Bank Reform Now Advisory Panel, a victim lobby group, has called for a legal aid service that would advocate on behalf of victims who allege they have been mistreated by financial services firms.

Legal aid is generally only available to individuals in criminal cases, while the majority of litigation involving banks are civil proceedings, leaving victims with the underfunded consumer action law centres as one of the few cost-effective avenues of legal advice outside of the dispute resolution mechanism of the ombudsman.

Michael Sanderson, who represents the 13,000 members of the Bank Reform Now Advisory Panel, said financial service victims need timely and affordable access to redress through a separate bank-funded legal aid scheme.

"This really needs to happen at the top of the cliff," he said. "It would be proactive in establishing equality of arms within our legal sector."

A farmer, Mr Sanderson represented himself during his legal battles with the Bank of Queensland.

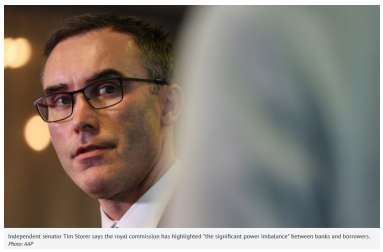
"To attempt to match the bank's legal and monetary resources in this country’s disproportionate monetarised legal system would have resulted in financial ruin before the matter ever got to trial," he said.

The proposal has the interest of Coalition MPs including George Christensen, Chris Crewther and Steve Irons, and Labor MPs Doug Cameron and Chris Ketter.

The Australian Banking Association is open to reforms that can regain trust in the sector. The ombudsman is already funded by the banks and hundreds of other member organisations.

"Australian banks have a big challenge ahead of them," said ABA CEO Anna Bligh. "Their job now is to work to do everything possible to find the problems and fix them."

From November, the Financial Ombudsman, the Credit and Investment Ombudsman and the Superannuation Complaints Tribunal will be transformed by the government into the Australian Financial Complaints Authority, with increased funding and powers.



"The royal commission has highlighted the significant power imbalance between banks and borrowers," he said.

"Nowhere is it more pronounced than in the legal representation financial institutions can afford, compared with the everyday punter, farmer, or small business owner."

Senator Storer said rather than establishing a separate bank-funded legal aid service, consumer action law centres needed to have their restrictions lifted and funding increased, which could be done through the bank levy.

The Consumer Action Law Centre in Victoria received only $320,000 in public funding last year and could only take on a fifth of the 3000-4000 people who approached it for legal assistance.

"It would make sense for a funding boost to be paid for out of the [$1.5 billion a year] Major Bank Levy," said Senator Storer.

Prime Minister Scott Morrison suggested the banks could face criminal penalties when the royal commission hands down its final report in February after Commissioner Kenneth Hayne released his interim findings on Friday.

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Key independent Senator Tim Storer wants the government to go further.
See link below for how Equality of Arms brings victims of bank misconduct equal access to the law. Plus see how Michael and the team worked together to educate pollies and their advisers on the need for an extended Royal Commission and the bank funded legal aid system. Both policies are no-brainers that can only improve the finance system and the way it serves the people's interests.

**File Attachments:**

| Attachment | Size |
|---|---|
| Access To Justice - The Untouchables - Michael Sanderson | 592.37 KB |
| Labor pledges free legal advice for bank victims - 2019 | 298.84 KB |
| Financial Service Law Force - Aug'22 Proposal | 91.65 KB |
| Email sent to every ALP MP and Senator - 2022 | 36.79 KB |

**Websites For More Information:** Source - SMH - Eryk Bagshaw - Calls grow for banks to fund legal aid in cases of customer disputes
https://www.smh.com.au/politics/federal/calls-grow-for-banks-to-fund-legal-aid-in-cases-of-customer-disputes-20180930-p506xm.html

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**Related Links:** Equal Legal Power - It's Time
Banking RC Activism Pays Off

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