Banking Victims meet with NAB's CEO Thorburn at Parliamentary Hearings

Summary:
Mr Andrew Thorburn (NAB Bank CEO) made some very significant comments at his appearance in front of the House Economics Committee at the annual Big4 Banks review. Bank Reform Now provide some critical excerpts in this article. First, there are four cases the MPs were very concerned about seeing investigated and satisfactorily resolved - Rita Troiani (Wide Bay Bricks), Faye Andrews, Bill Mott and the Furneaux case.

Next, we have some important highlights. It is good to see that Mr Thorburn is committed to giving bank victims full and open access to essential files, documents and other evidence. We are also pleased that he wants to be held personally accountable!

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House Economic Committee review of the Big Four Banks - NAB - Critical Excerpts

[RITA TROIANI - Wide Bay Brick Bundaberg Case]

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Mr KEOGH: ..... Another case that's been brought to my attention is a case that was brought to the attention of the royal commission as well. This has been a longstanding matter of dispute, as I understand it, between NAB and the customer. It involves the Wide Bay brickworks in Queensland. I could go into all of the detail here in this hearing. Ms Troiani is here as well today, and I'm sure she would like to meet with you to discuss this.

Mr Thorburn : I'm meeting with her this afternoon.

Mr KEOGH: I'm glad to hear that. In Mr Mott's case, this case concerning the Wide Bay brickworks and a lot of the matters that have come to the forums that we've been holding with banking victims there has been the issue of not being able to get transparent responses from banks. This was a matter that was brought before your predecessor at a general meeting by members of the media. It's been raised in the Queensland state parliament as well, and I understand that it's gone through a number of court proceedings. One of the things I find frequently with these matters, where they go through court proceedings, is there's often a summary judgement, because, by the time it's in court, the issue is not the unconscionability of the bank or breaches of contract; the issue is merely a matter of foreclosure. There are very streamlined proceedings for those in the courts, and there's good reason for that, but it's way too late in the process. But, in the process of trying to get to that point, there seems to be a lot that the banks are doing—your bank included, and this is a classic example here—where people have said to the bank: 'We need information. You've got that information. You've got statements. You've been running additional information that you knew but never told us about and we've only found out after the fact. But you won't give us all the detail.'

My question is: what's your commitment to people like those involved with Wide Bay and these farmers about a bank that will give transparency in the information that it holds? So it's not just a case of bringing a challenge and trying to get a matter through court but being clear with your own customers that, when they have an issue, you'll respond to their letter, that your bank will provide that information. There may be a fight about what it means, but at least give the information so they are in the right position to have that fight with you.

Mr Thorburn : Yes, I totally agree with you there. We need to have basic courtesy. We may disagree, but being able to promptly and courteously respond with information is absolutely important. I believe that.

Mr KEOGH: I think it is. The question was asked before about model litigants, and we've had responses in this case from your bank, and from others, **where people have sought documents and they're told: discovery is not part of these court proceedings.**

Mr Thorburn : I understand that. I understand what you're saying.

Mr KEOGH: And in the context of open banking, it's not solely your information; **it's the customer's information.**

Mr Thorburn : **Yes.**

Mr KEOGH: That issue seems to be completely deficient in the way in which banks, not just yours, have approached a litany of cases, including these ones.

Mr Thorburn : **Yes.**

Mr KEOGH: So in terms of meeting with these customers that are here today, when you do—and I'm glad that you are doing that and that you have met with customers in the past—**will you be able to commit to them that they will be able to get access to the information that they need to have access to?**

Mr Thorburn : **Yes.**

Mr KEOGH: I'm very glad to hear that. Can I also ask that, when you look at this Wide Bay issue, you do have some regard to the fact that there appears to have been **a potential conflict of interest**

that arose here: a main competitor to Wide Bay Bricks had common directors with your bank, and that seems to have placed your bank in a matter of conflict in respect of how it handled this. I don't propose to go through all of the detail, but I think banks have an obligation to treat their customers fairly. There's the discussion of the fiduciary obligations of a banker.

Mr Thorburn : **Where those conflicts are there, they're required to be declared.**

Mr KEOGH: **That was a failing here.**

Mr Thorburn : **Yes. Let's look into that.** But we certainly have a process—

Mr KEOGH: When that issue was squarely raised with the bank, **that was not disclosed,** particularly where, in this case, that competitor was also the supplier of a major input material to this customer. I will leave you to go through that. I'm glad you have given the commitments to meet and to go through the issues. You should go through the issues with them.

I'm going to ask you another question that's been coming out of matters concerning the royal commission and some other questions that have been raised. **Do you see any reason why you as a bank CEO or other senior executives of a bank should not be held personally accountable when there's been a systemic failure in an area of the bank when it relates to customers?**

Mr Thorburn : **No. I'm accountable for the company, its operations, its reputation and its conduct. I expect to be and want to be held to account for that.**

Mr KEOGH: **Do you have any difficulty with the law holding you personally accountable as opposed to merely through your remuneration practice?**

Mr Thorburn : **If that is required and relevant, absolutely.**

BRN Comments - Rita and Dr B did meet with Andrew Thorburn & David Gall. Mr Thorburn was very attentive he knows what is required and has been given material to assist the assessment and remediation process.

[Faye Andrews]

Mr THISTLETHWAITE: Mr Thorburn, I just wanted to raise with you the case of Faye Andrews. Faye is here in the audience.

Mr Thorburn : And I'm seeing Ms Andrews this afternoon.

Mr THISTLETHWAITE: Okay; that's good. She's given me permission to raise her case. I'm glad that you're seeing her this afternoon. Ms Andrews was a customer of the National Australia Bank for 46 years, and in November 2010 her loans were due for refinancing. She had **never been in arrears, never missed a single payment, but was refused refinance** with the contract manager relying on a clause in her contracts that read, **'The bank may cancel the facility at any time, whether or not you are in breach of this agreement.'** My question relates to this. Ms Andrews' case—and I suspect many of the cases that that you're dealing with at the moment—related to the global financial crisis, the downturn internationally and the tightening of credit that occurred in the wake of that. Now, that didn't originate in Australia, and I'm certainly not pointing the finger at NAB or any other Australian bank, but that downturn was caused by bankers. It was caused by your industry in the United States, and it had a massive effect globally on just about every economy, and potentially every person, throughout the world. **Why couldn't you look at a case like this, where someone has been a loyal customer for 46 years, and say to them: 'You know what? Our industry caused this. Our industry is the reason why you're in this difficult position. You've been a loyal customer for 46 years, we're going to work with you and give you a break and try**

and get you out of this situation.'

Mr Thorburn : **That's what we should say and do.**

Mr THISTLETHWAITE: So why didn't it happen? It didn't happen not just in this case, but in thousands of cases.

Mr Thorburn : So I'll see Ms Andrews this afternoon. I think some of those clauses you read out, Mr Thistlethwaite, are good examples of **very legal, overbearing statements that we've got to review and change,** and I will take that forward. I just want to come back to—whatever caused the global financial crisis, **we've got to treat every single client with respect and understanding,** and that's the job of our bankers. Whatever the problems are, that's what we have to step into. **That is the role of a banker: when a customer goes through a difficult time, to work with them.**

I think more broadly our bank did a very good job of that through the GFC, where there were a lot of clients going through stress and, actually, we continued to extend credit to them to help them with their working capital in very uncertain times. So I don't agree with the inference that we didn't treat customers right and we bailed out on people. I think the facts actually are we supported a lot of them. However, I think **in some cases we will have got it wrong and we will have used clauses inappropriately to effect change.**

BRN Comments - Faye and Dr B did meet with Andrew Thorburn & David Gall. Mr Thorburn was very attentive he knows what is required and has been given material to assist the assessment and remediation process.

Bill Mott - [Exploited Farmer]

Mr KEOGH: Mr Thorburn, I'd like to ask you about another customer matter. It relates to a Queensland farmer, Mr Mott. I'll go through the brief details of his case, because I think not only are they concerning as far as they relate to him and his family but they are quite reflective of a number of the issues that farmers—

Mr Thorburn : Can I just say one thing?

Mr KEOGH: Please, proceed.

Mr Thorburn : Mr Mott is here, and I will be seeing him after this hearing.

Mr KEOGH: I'm very glad to hear that you will be, because that answers my last question in this series of questions. But the issue, when boiled down, is that Mr Mott was **encouraged by NAB to take out loans in a particular profile,** and I'll come to that. He expanded his farming operation. He had a series of—in generic terms—bad years, as you would expect, from around 2010 through to 2014. There was no question raised with the farming practice. It all had to do with weather events and so forth. The loans that were entered into and the way in which that process ran, involved—as you would expect, with many farming communities—him having to travel a great distance to meet with his banking manager, or to meet in a town halfway between where the bank manager was, in Roma, and where his farm was, and sometimes meeting at a hotel to do that. Some of the paperwork wasn't completed, often, when he had to sign that paperwork, or details were not completed when he had to sign it. He went through a process where, under the financial strain of a few bad years, he was seeking additional funds to get into the next crop and so forth. **He was encouraged to enter into arrangements for higher purchase of equipment that would involve balloon payments.** Then, in discussions with his bank manager and seeking assistance, the local manager ended up bringing in, without Mr Mott being aware of this in advance, the additional assistance, which was in the form of NAB debt recovery, who then, despite saying that there'd be no action to sell at below value of the property, brought in receiver managers to run the property at significant cost.

They ended up selling the properties for a loss. When looked at, that resulted in about a $6 million loss in the sales of the properties, about $6½ million of foregone income in the two years that then followed, because there were better weather conditions, and about $1 million in receiver costs. That equals a total loss of around $13 million in that case.

You could change the dollar values and you could change the name of the farmer—we have similar examples all across Australia, with your bank and other banks. Why is it that there seems to be a lack of understanding of the farming cycle? I get that a bank has to draw a line somewhere, but there seem to have been instances here of **engaging a farmer in loans that were not appropriate and financing that wasn't appropriate, mistreatment by receivers of that business, and also engagement, frankly, of very expensive and very professional receiver managers in an area where you probably didn't need to incur that sort of expense for that business.** What do you have to say to all of that?

Mr Thorburn : Firstly, we're the largest agribank in Australia. We have been for quite some time. We have over 500 agribankers. We take on about 50 agrigraduates a year.

Mr KEOGH: There are quite a few angry bank customers as a result though as well.

Mr Thorburn : I understand. My first point is: we've done this for a long time, and I think, overall, we've done it very well. There are some cases where we have not, and that's not good enough, because that individual case is a person who has a family, and the events have had a dramatic impact on them.

Mr KEOGH: Absolutely. Going back to my previous point, you have a dramatic impact of misconduct, in terms of not properly completing paperwork and not explaining the nature of a combination of term loans, bank bills—I might point out that the rates on the bank bills were somewhat manipulated by the Australian banks as well, but that's a whole other issue—and balloon payments on higher-purchase arrangements for equipment. There were a whole range of different financial arrangements that were not well explained, not well understood and not necessarily appropriate in the circumstances either.

Mr Thorburn : It comes back to my opening statement around: we've become too complex. There are too many products and too many specific legal clauses not in plain English. I do acknowledge that. I'm looking forward to meeting Mr Mott. I will work through that with him. But it's a little difficult to respond to detail of a particular customer that I don't know, and you have that detail. I'm looking forward to meeting Mr Mott and others, but the bigger picture to me is: we want to get this right. We want to get it right 100 per cent of the time. But, given how many customers we're dealing with and their complexity—not just complexity of product but the complexity of their situation—we probably won't get it right 100 per cent of the time, but I certainly think we can do better.

Mr KEOGH: It strikes me that these are the sorts of cases that are a good example of where these failures of the bank not only result in someone being charged a higher interest rate than they should have been or being charged fees or penalty interests that they shouldn't have but also result, which is the next step, in there being a receiver manager and a sale, which is effectively a fire sale, of the land and of the equipment. It's not just a case of, 'I took a financial loss.' Their entire livelihood going forward is wiped out. Going to the questions I was asking you previously: is the bank going to look at more holistic compensation than merely what went wrong with these technical dollars on the spreadsheet?

Mr Thorburn : I certainly agree with your point that you can look at the numbers, but I think some of those—

Mr KEOGH: The broader causation, certainly with numbers, that comes after.

Mr Thorburn : Someone famous said that the most important things can't get measured. That is about the impact on people, their families and their livelihood. So I'm acknowledging that, and I would like to move to somehow taking that into account if we can, because we should. Where we've

been at fault and done wrong things, we should be reflecting that.

BRN Comments - Bill & Leon Ashby did meet with Andrew Thorburn & David Gall. Mr Thorburn and David Gall now have a good understanding of the case.

[The Furneaux Case]

Mr KEOGH: ..... I'm sure you'll have more information about the case of Mr and Mrs Furneaux. I understand you know some information about this case. It seems that they were in a situation where, despite **not being in default of any of their loans,** they were visited at their home by NAB officers who, over a period of time, put pressure on them, used unacceptable language and **made changes to their financial arrangements without their consent**. Over a number of months redraw moneys that were previously shown on their statements as being available were removed. **Monies allocated to one account were put into another without their consent or knowledge, which caused defaults on automatic payments.** The bank allegedly took repossession action against their motor vehicle as a result of **defaults caused by the unauthorised transactions.** I'm informed there was a **physical injury to Mrs Furneaux** as a result of that repossession action. There was a placing of **restrictions on business working capital and other finance without justification, which then caused defaults against the family home and other properties.** There was retention of surplus funds by the bank, which they still believe is owed to them after the sale of their properties in 2014. **They've had significant ongoing financial, mental and physical health impacts, including losing their family home and investment properties.** They've had to live in a rental property. They've had to place themselves, for a period of time, on unemployment benefits, because they were unable to work, because they were **suffering from stress-related chronic illness.** That effectively **all stems from the conduct of the way in which the bank was operating their accounts without their consent.** How do you respond to this?

Mr Thorburn : **That sounds like a terrible situation.** I don't know the details of it; I know the headline. I would be happy, as I've met with other customers, to **meet with the Furneaux, personally, to hear what they have to say and to endeavour to move it forward so it can be mediated and resolved.**

Mr KEOGH: **And are you prepared to .... meet with customers like the Furneaux.**

Mr Thorburn : **Yes, absolutely.**

Additional Points To Note

[Thorburn Stops The Buck]

CHAIR: ..... You said that with three decades of experience you felt the consequences of the *(Hayne Royal Commission)* interim report. Could you elaborate on that. What do you mean by how you felt it?

Mr Thorburn : I read the interim report. As I said in my opening statement, I thought it was very thoughtful, considered and balanced, and I actually agree with what the commissioner is saying. I have felt through the year, as I've heard the cases through the rounds, upset, disappointed and aggrieved because **we just haven't treated a number of our customers with the respect and care we should have.**

CHAIR: **Would you say you're ashamed of some of the conduct of the bank?**

Mr Thorburn : **Absolutely, yes.**

CHAIR: ……. Last week, when we had the CEOs of other banks, there was an acceptance that ultimately **the buck stopped with the CEO.** You would accept that?

Mr Thorburn : **Yes, absolutely.**

CHAIR: One of the things we've heard throughout these hearings is that **some CEOs have taken proactive steps to meet with aggrieved customers or bank victims**—depending on how you want to put it. How many of those have you met with?

Mr Thorburn : There are a lot that I have received correspondence from that I've made sure somebody senior has spoken to and assessed. Over the last few years I have met quite a few. I met quite a number yesterday. I'm meeting quite a few after our session today.

CHAIR: Twenty?

Mr Thorburn : That sort of number, yes. I think it's very important because, in the end, it comes down to very emotional situations that have been longstanding, and **I really feel for those customers.**

CHAIR: One of the frustrations raised by many people who have come to this hearing and previous ones is **banks using their disproportionate weight legally to be able to stop a follow-through of complaints against the bank—simply because people don't have the financial resources to take a bank on. Would you describe the NAB as a model litigant?**

Mr Thorburn : I'm not sure exactly what the definition of a model litigant is.

CHAIR: Would you describe the NAB as never abusing its weight or power or financial position to stop a legal claim against an individual customer?

Mr Thorburn : **I certainly couldn't say that we've done that on every occasion.** Obviously as bankers we look at certain contracts and clauses. I think there are cases where we have let that be the dominant piece as opposed to really dealing with the impact on people and helping them through it. In most cases we get it right but **I'm absolutely certain that in some cases we have been more overbearing and more technical and more legal than we should have been, and that is something that I would like to step into and address as we go forward.**

CHAIR: Last week we had a CEO come here and say they would be prepared to develop and practice against a standard of being essentially a model litigant—the broad definition I have provided. So NAB would be prepared to go down that path as well?

Mr Thorburn : **Absolutely.**

Mr EVANS: Let's talk about customers who are thinking about contacting you. What should they expect? What will they experience from here?

Mr Thorburn : What they should expect from me and from our company is a prompt response and a

review within a reasonable period of time to suggest some next steps. Often, that will probably involve suggesting some mediation, but I do have to be mindful of the volume. As I said in answering Mr Thistlethwaite's question, a lot of these ones in question are much more complex and much more long dated. They're not simple, otherwise they probably would have been resolved, or I could resolve them quite quickly. We're going to have to work out who's got the capability. Often, it won't just be in the bank. We need someone independent of the bank and our client to bring us together. I don't know the numbers we're talking about, but that's the sort of process I'm thinking of.

Mr KEOGH: ..... Mr Thorburn, can you give me a brief outline of what your understanding is of the **impact of the misconduct that NAB has inflicted upon customers?**

Mr Thorburn : The obvious impact is on customers. Now, some customers **have lost trust** in us because we said we'd do something and we didn't. That, for a banker, where it's based on trust, is the most terrible thing. Second, it has affected our staff, because we've got 33,000 staff. I talk with them a lot and I think they feel really disappointed. I must say that most of our people are doing the right thing—wanting to serve clients—and are very resilient. So I think they're impacted. Finally, I would say our shareholders are impacted too, because what they want to see is a bank that invests in customer trust and loyalty, that builds a long-term, sustainable business and that invests consistently over time so that they can be assured that the company they're investing in not only has a sound foundation and has growth prospects but is doing everything that that bank should do to build trust and meet regulations. So I think that'll be the impact on them too.

Mr KEOGH: You spoke about the impact on customers being around trust. **Are there other impacts on the customers?**

Mr Thorburn : Yes, absolutely. I think there will be the emotional impact, particularly in cases where we have taken too long, where we have not been clear, where we have 'legaled' it. They will be very frustrated and have grief around that, because they will just feel helpless that they can't get through, that nobody is listening and we just send them another legal letter. That clearly has had an impact on people, and I understand that.

Mr KEOGH: I think there are a lot of people who agree that those impacts are real. Do you think there's a **broader impact for the nation** when customers have to suffer those impacts on the scale that we've seen uncovered through the course of this royal commission?

Mr Thorburn : Yes, absolutely. **It's been a particularly difficult and shameful year for that, really, so we've got to earn our way back through it.** I don't want to, in any way, not emphasise what I just said, but I would also say that of, our 33,000 people today, most of them are doing absolutely the right thing, serving customers well and have integrity in what they do. What we've had is a case of two things. Firstly, we had some who did not do that. It was a vast minority, but they have had a tremendous impact on our reputation—the few on the many. Secondly, in a lot of cases, we didn't intend for this to happen, it was not our intention to do what we did. But **what we didn't do was have proper controls and execute it well and, when we found it, raise it and fix it and compensate people fast enough. That's absolutely what we didn't do.** But we didn't intend to do what happened.

[Access To Justice]

Mr CRAIG KELLY: Let me put a fifth reason to your four points as to why misconduct and the falling of standards happened. I put it to you that it was a problem of access to justice for aggrieved customers. There's been an unequal playing field for people. If they didn't get through your internal dispute system, **because of the way our legal system works and the high cost of our legal**

system those people simply didn't have access to justice. Would you acknowledge that that perhaps would have been one of the reasons why?

Mr Thorburn : I think that's a fair point, **yes.**

Mr CRAIG KELLY: Do you think that can be resolved? Well, it will never be perfectly resolved. But, for someone who's aggrieved, who feels there's been some breach of a contractual term or a breach of the competition law, consumer rights, **do you think a tribunal system could at least level the playing field a little bit?**

Mr Thorburn : I'm agreeing with the essence of what you're saying, which is that **we need a better, faster, more transparent mediation process**. But I think it's also particularly for business-type clients as opposed to retail. So I do agree with that. You referenced the tribunal; I'm just saying that I agree with the core of what you're saying, yes.

[St George]

Mr FALINSKI: So in that sense you disagree with Brian Hartzer. Brian feels that, no, those products are there to meet consumer needs. I wonder if you disagree with him on one other point he made when he was here last Thursday, which was that, **if Westpac had not been able to take over St George, it would have fallen over.**

Mr Thorburn : Well, it's not for me to comment on that one, because Westpac acquired St George. What I can say, though, is, when the global financial crisis hit, you saw the impact on banks offshore where they didn't have liquidity and they had short-term funding, whereas the Australian banks were, by and large, able to move through that.

Mr FALINSKI: You did work at St George?

Mr Thorburn : **Yes,** I did, for three years.

Mr FALINSKI: For three years, from 2002 to 2006?

Mr Thorburn : No, I joined NAB on 1 January 2005.

Mr FALINSKI: And, Mr Gall, **you also worked at St George.** You were the chief credit officer at St George?

Mr Gall : No, I wasn't. I ran the retail bank there and I ran the corporate and business bank there.

Mr FALINSKI: Okay. And you were there till when?

Mr Gall : End of 2007.

Mr FALINSKI: End of 2007. So, while you were at St George, did you believe that the bank was not being well managed and that there were prudential issues at the time?

Mr Gall : **No,** I did not.

Mr Thorburn : I should probably speak right now for the bank I've worked for since 1 January 2005 and that I'm CEO of.

Mr FALINSKI: No, no, I understand. This goes to a point, though, Mr Thorburn, which is that I think there's a sense, not just here but around the globe, that **people in banking made decisions that cost the community a lot of money, and none of those people were ever held to account for that.** So we have the CEO of a major bank saying that they took over another bank because it was about to fall over.

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Mr Thorburn : Well, it wasn't this CEO that said that.

Mr FALINSKI: No, no, I understand.

Mr Thorburn : Just to be clear.

Mr FALINSKI: And that was the first time that's ever been said publicly. A lot of people speculated about it, but that was the first time that it's been said publicly. You have a situation where, at the time, **you were at St George; Mr Gall was at St George;** and the person who was in charge of the Council of Financial Regulators—who is tasked with the job of ensuring that banks are properly capitalised and their prudential regulation is enforced—was the **then secretary of the Treasury,** and he **is now the chair of your board.** Is that correct?

Mr Thorburn : Ken Henry?

Mr FALINSKI: **Ken Henry.**

Mr Thorburn : **Yes.**

Mr FALINSKI: That's correct. And the **CEO of Westpac at the time**, who launched that takeover bid of Westpac, had also been the **CEO of St George less than a year before that.** Is that correct?

Mr Thorburn : Yes. If you're talking about **Gail Kelly, yes.**

Mr FALINSKI: Where in all of this, though, does the truth lie?

Mr Thorburn : Well, I think—

Mr FALINSKI: No other bank in the Australian system came close to falling over. Bankwest was a distress sale, but that was because its owner in the UK was under pressure.

Mr Thorburn : I would just say two things. Firstly, I'm here to speak about National Australia Bank. I am the CEO of this company. I have worked in this bank since January 2005. So I think your questions should be about that. It's been long enough, and that's my role. Secondly, **you're making the inference here, about my reputation and maybe David's, that we should have been held accountable for something, or we had some misconduct. I reject that totally, if that's your inference.** I think it's unfair, and you should be very clear what you're saying about us.

Mr FALINSKI: Yes, and I'll be clear: I'm not suggesting that at all. But what I am—

Mr Thorburn : **So you withdraw any question about our reputation?**

Mr FALINSKI: Absolutely, Mr Thorburn. **I made no such inference,** and, if you've taken it as that, I apologise up-front. But what I don't withdraw is the fact that, **in our banking sector here, as across the world, there are people who have not been held to account for things that they have done.** Is that something that you agree or disagree with?

Mr Thorburn : Well, I hope, in our bank—let's go through specific issues and people, because that's what you should be asking me about. I believe we should—we do—hold people to account. I talked about that a bit earlier. And maybe, with further questioning, we can talk about that. I believe we do do that to assess people fairly, broadly. If they don't live up to our standards, we terminate them; we reduce their variable reward; or they have some other consequences. Either they resign or they don't get a promotion in our company. I believe that's what's consistently happening in NAB. It won't be happening everywhere, because the company is so large, and we're going through a lot of change. But that's definitely our intent, and I think it's happening pretty consistently today.

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BRN Comments

Advocating for NAB bank victims Dr Peter Brandson (BRN Founder & CEO) arranged to meet with Andrew Thorburn and David Gall for 4 hours after their appearance at this hearing. Other meetings were held with victims on Thursday afternoon. NAB is clearly open to investigating and liaising with victims with a view to amicably settling disputes. The cases BRN took to these meetings are not complex. Some of these cases are legacy cases that occurred way before Andrew Thorburn took on the job. It is likely that there was a deliberate cover up in the bank. He now has the facts so there is now no ability for any employees to hide material from the CEO. Mr Thorburn clearly needs to be careful who he listens to at the bank. There are people with dirty hands who will find Thorburn's ironclad commitment to punish wrongdoers somewhat of a concern.

We are not going to publish specific details right now regarding the individual cases Mr Thorburn has promised to review. Dr Brandson made it very clear **that these cases clearly demonstrate NAB and its staff - including the legal team - have been involved in very serious ethical, moral and legal breaches. People have been damaged financially, physically and emotionally.**

The bank has sometimes relied on the letter of the law - ie it was "legal" for them to treat customers in a harsh and predatory manner. The argument carries very little weight with BRN. Much of what happened in Germany in the 30s and 40s was "legal." Just because something is "legal" does not mean it is OK. Plenty of activities and behaviours in our society are legal but they still can be very harmful.

In Faye's case - she was a model client. The bank used the following contract clause to steal everything - **"The bank may cancel the facility at any time, whether or not you are in breach of this agreement."** This has been in NAB's overdraft contracts forever. It has been used to bring down borrowers for years - whenever it suited the bank. It has even been inserted into medium term contracts - **totally unconscionable - legal ... but harmful.** Mr Thorburn has been CEO since 2014 - the bank and the CEOs profit from this cruelty. **Don't you dare tell us "it is legal!" Mr Thorburn ..... tear down this clause.**

Dr Brandson proposed **a thought experiment at one of the meetings - "If you place your wallet on the table and I take it & leave. What have I done? Clearly - I have stolen your wallet. You do not need a court or a code of conduct to prove what I did to you?"**

Mr Thorburn and Mr Gall understood the significance of this experiment. The people BRN advocated for in Canberra know exactly what was done to them. They know how the law was abused. They know how bank staff took advantage of the power imbalance in the relationship. Some of these people have lived with the damage for decades.

We were not there just for a sympathetic ear and promises of suggested steps we can consider taking after a two week review by the bank. We were there to finally get justice. **Full remediation and compensation is our agenda.** Other bank CEOs we have worked with are already making genuine offers to victims of bank misconduct. NAB now has the opportunity to step up. Yes - **it will be expensive. It is a cost that must be faced as part of the reform process. Banking will never be the same again.** It is a different ball game and we will never go back to past practices. The people have always had the power and now that we are properly organised we can turbocharge our use of social media, mainstream media contacts, whistleblower interactions and - judging by the performance of the MPs on the Economics Committee - a new and more sympathetic political dialogue.

All the victims are extremely grateful to the MPs on the committee for giving them a fair go telling their stories. The MPs were given many cases - all of whom deserve justice from the bank. As an aside - the NAB crew were also asked why it was that the Royal Commission has not publicly investigated gross abuses such as Faye's and Rita's? They didn't know. Dr B promised to sit down with the leaders from NAB, when time permitted, to tell them all about it. Maybe even the need for a longer and stronger Royal Commission should be up for discussion.

The cases that were discussed by the MPs - above (Rita, Faye, Bill and the Furneaux's)

and many others are now in NAB's hands. BRN's advice .... handle with care.

NAB executives at the meetings:

Mr. David Gall has been the Chief Customer Officer, Corporate & Institutional Banking at National Australia Bank since October 2018. Mr. Gall served as the Chief Risk Officer at National Australia Bank Limited since August 1, 2014 until October 2018.

Mr Andrew Thorburn became Managing Director & Group Chief Executive Officer of National Australia Bank Limited (NAB) in August 2014. He joined NAB in 2005 as head of retail banking. In October 2008, he became Managing Director & CEO of Bank of New Zealand and was responsible for its strategic positioning and performance, before moving into his current role.

Link below for the full transcript of the hearing.

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