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Banks have no place in super

Banks have no place in super and should not be allowed to operate superannuation funds given the multiple legal and moral failures engulfing the banking sector, the peak body for working people has said.

The ACTU is calling on Financial Services Minister Kelly O'Dwyer to ban the banks from operating superannuation funds in light the behaviour that has been unveiled both inside and outside of the Banking Royal Commission.

Yesterday the Commonwealth Bank agreed to pay a \$700 million fine for breaching anti-money laundering and terrorism financing prevention laws. Before reaching a settlement the company was facing fines that could have totalled more than \$1 trillion.

It came only days after ANZ, along with global banks Citigroup and Deutsch Bank, had criminal cartel charges levelled against them by the Commonwealth Director of Public Prosecutions.

These events are all separate to the Banking Royal Commission, which has revealed that banks charged dead people for financial advice, tried to take the home of a blind pensioner, repeatedly lied to regulators, gave financial advice that enriched them and ruined customers and forged documents.

They are also separate to the litany of superannuation scandals the bank-owned funds are embroiled in, including:

1. ANZ has had to pay an extra \$10.5 million to 160,000 customers after ASIC found it had incorrectly processed members' super contributions and failed to deal with lost inactive member balances correctly.
2. Commonwealth Bank has had to repay an estimated \$105.6m for charging fees where no advice was provided. As of 19 May 2017, CBA had repaid or offered to repay \$5.85m.
3. ASIC alleges Westpac subsidiaries provided personal advice to customers, recommending they "roll out of their other superannuation funds into Westpac-related superannuation accounts" even though they were not legally allowed to provide personal financial advice.
4. NAB's super trustee, NULIS Nominees, had to repay \$34.7 million to 220,000 super accounts in Feb 2017. It charged "planned service fees" between September 2012 and October 2016 to clients who had either received general advice or where no plan adviser had been appointed to provide advice.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

"Given what we now know about the banks and their behaviour, we should not be choosing to trust them with the retirement funds of working Australians.

"Our retirement is too important to hand to companies and senior executives who rob the dead, deceive the regulator, rig markets, screw working people out of their homes, give dodgy advice, forge documents, abuse children's saving programs and breach laws that stop people laundering money and financing terrorism.

"This Royal Commission still has more than six months to run, but purely on what we have seen so far, these institutions have no place providing superannuation products.

"It's time to restrict the provision of superannuation to not-for-profit funds."

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