

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

My name is [REDACTED] with address and details supplied above.

ACCC has requested that consumers give their accounts of the activities of banks in FOREX matters

This is an account of my dealings with three of the big four banks.

From my own experience three banks in particular [REDACTED] freely gouge (plunder?) FOREX transactions with impunity, taking obscene profits in terms of cash.

They also are confident enough because they are not regulated to publish completely different rates from the true FOREX rates on the web, which I consider to be outright lies yet no one says anything about it.

I have also given my account of ASIC and other institutions regarding their investigative standards which I would like ACCC to review as part of my feedback outlined below, as I feel that it is essential that these are included and afforded blame for the present circumstances where they have failed to act.

Bank regulation is ineffective for consumers

In my view the lack of participation of these bodies is a **significant impediment** in getting a fair go for consumers and small businesses.

They are a part of the problem, tolerating a form of institutionalized theft by the big 4 banks because these bodies don't seem to do anything, or worse have a too cosy relationship with the banks who seem to receive a degree of protection by these failed (intentionally or otherwise) regulators and/or watchdogs.

I sincerely hope ACCC's report takes into account the failure of the institutions which claim to be either regulators or watchdogs but have abjectly failed to be either impartial or even empathetic, or the ACCC report may not be complete in my view.

Dealings across-the-counter with banks

In the narrative of ACCC's Pdf, I note that ACCC seeks answers to questions about FOREX dealings but does not seem to request details relating to bad customer experiences in their engagement with these banks when dealing with FOREX, and in subsequently making complaints.

As such I think that the impact of the foreign currency conversion services inquiry will be "Reduced" if the inquiry just asks for consumer experiences lying within rather tame scope or transaction limits, as outlined.

Making complaints about banks to FOS, ASIC, and other so-called ombudsmen, watchdogs etc.

Unfortunately ACCC's questions in their advisory note do not seem to ask consumers to allude to bad experiences which lie outside normal transaction practices, as I have found there is no true independent system of review thus far.

That is because the modus operandi of so-called watchdog institutions is always to direct their main response effort into justifying non-intervention citing restrictive terms of reference, indeed spending significant effort in writing about how they are unable to help.

In my own experience I have become very familiar with the way these "champions" deal with a complaint and have come to always anticipate - after a long period of official procrastination - the arrival of the well-crafted "**we are unable to**" letter, citing restrictive terms of reference and/or offering advice to seek one of the other so called watchdogs or regulators.

And so it goes on.

My background in business and as a consumer

As managing director of an overseas manufacturing business in my recent career I know about foreign transactions and have dealt with import/export so am familiar with transactions involving letters of credit and multinational banking institutions.

I have found external banks much more reasonable and accommodating compared to Australian banks and my view as someone residing in Australia for the last 16 years is that "big 4" Australian banks are clearly operating as a FOREX cartel and unfairly gouge FOREX transactions.

I have also purchased FOREX throughout my working life as a traveller in SE Asia and Australasia and still travel frequently trading small amounts of FOREX cash but avoid any purchases using my Australian credit card because it is a rip off, with every foreign purchase made accompanied by a foreign transaction fee charged together with an outrageous rate of exchange several days later in my bank statement.

Regarding cash transactions I travel to Indonesia on business monthly. For business entry purposes I have to purchase a visa at the airport in Jakarta in US Dollars (\$35)

Ironically I can often purchase the cash required for the visa worth US\$35 cheaper in Changi Airport Singapore at a local bank currency desk, and involving transfer into Singapore Dollars firstly from Australian Dollars before purchasing US Dollars and still have a competitive rate, compared to purchasing FOREX at an Australian bank or ██████████ in Australia.

And I consider that anyone purchasing FOREX from ██████████ at an airport has to be either desperate or crazy as ██████████ rates are always outrageous.

I think that ██████████ should at least have their right to trade reviewed because their rates are so scandalous.

Unfair Bank activities in larger FOREX transactions

Regarding larger FOREX transactions over (say) A\$50,000 or even lower it could be reasonably expected that a high street bank would automatically have better FOREX (Wholesale) rates for small businesses and consumers.

Not so in Australia - my experiences show that three of the big four banks exploit the lack of control within the system to gouge accounts at frankly repugnant rates of exchange.

And ACCC should avoid looking at the percentage of gouging as that detracts from the impact on consumers, but the amounts as cash - it is the cash amount of loss that is so obscene especially when the funds being converted are one's savings or a high proportion of one's livelihood or pension income.

Today (8th October 2018) for example, we can see that a FOREX transaction to purchase US\$ with A\$10,000 will net US\$6679 at [REDACTED] and US\$6664 at [REDACTED]

The 8th October 2018 benchmark rate is A\$1.00 = US\$ 0.706 (Bloomberg)

That means that the difference compared to the benchmark rate nets [REDACTED] **A\$\$540** whilst the difference compared to the benchmark rate nets [REDACTED] **A\$\$561**

If we add A\$32 fees these amounts become **A\$572** and **A\$593** respectively

These amounts are clearly **outrageous** when seen as cash, rather than as a **percentage** are a form of "Bank Customer Tax" on clients

It is why I am so angry and have been fighting to get my funds back from two (could argue three?) big four banks involved in two transactions since 2012/13 and have appeared on TV as part of my campaign.

Who was involved?

1 - [REDACTED] bank

What occurred?

In October 2012 I sold my home in Brisbane. I wanted to remit about A\$280,000 to UK as Sterling.

A proportion of the funds was required to repay a loan to a friend with a deadline for a part of the remittance to be in a UK bank so as not to default.

I went to my [REDACTED] bank branch where the funds had been deposited and asked for the exchange rate for Sterling.

According to [REDACTED] officer, the funds would be converted to Sterling at a rate wherein I found I would lose **A\$19,000** if I chose to remit the funds on the spot.

In addition there would also be a remittance fee of **\$32**.

Clearly the FOREX rate was scandalous and I was immediately outraged. And yet a remittance fee is also charged so the process actually becomes so farcical that it humiliates the sender but is nevertheless unavoidable.

We could perhaps ponder what may happen to someone not familiar with FOREX.

What If I had been for example a retired pensioner, relocating back to Greece to live out his/her retirement with his/her Greek family, selling up in Australia and purchasing Euros but with no knowledge of currency transactions?

That imaginary pensioner would surely be robbed as the amount taken from his/her account by the bank could e.g. run a small home for a year, or purchase a new small car.

The grossly unfair rate for Sterling offered to me was contested on the spot and [REDACTED] then resolved to offer a better so-called "wholesale" rate but for a better rate I would have to do the following,

- Form and register a company and open a new company account.
- Wait one week as I required "**permission**" from [REDACTED] to export funds - I found this permission requirement for remitting my own money to be ridiculous (may I say even "Soviet").

I considered all of these arrangements utterly bizarre but having no choice as other non-banking institutions could only remit funds less than \$10,000, I returned to [REDACTED] one week later, and remitted the funds so as not to default, losing A\$4-6000 in FOREX losses compared to rates quoted in several other organisations and indices.

The time taken for [REDACTED] bank to profit of A\$4-6000 plus a "fee" of \$32 was less than 5 minutes (to be advised of the "Wholesale" rate) and less than 45 seconds at the counter to send the telegraphic transfer.

The profit in this transaction is absurd given the true "time" cost and effort to [REDACTED] in remitting these funds and I feel utterly cheated as I would do in a fixed high stakes card game.

I found the whole process humiliating because of the degree of loss and I lodged an immediate complaint with [REDACTED] copying FOS regarding [REDACTED] rate.

[REDACTED] has consistently refused to discuss the rate and considered the loss as "fair".

I wrote to [REDACTED] ([REDACTED]), [REDACTED] six occasions subsequently because I was unsatisfied but he never responded.

To put matters in perspective, this man ironically earns what I lost in this FOREX transaction which was 10% of my income in 2012, **in about one hour** at [REDACTED].

I finally received a call from one of [REDACTED] colleagues advising me to cease all communication with [REDACTED] on this matter, and then I was threatened to “back off”.

I was further astonished to find that the FOS officer whom I got involved in this matter considered that a FOREX loss of A\$4-6000 was “**rather small**” and should be “**acceptable**” for a semi-retired person.

From that encounter with FOS I became of the view that staff in FOS live in a parallel universe where such a loss representing 10% of my annual income after tax that year is not a big deal.

I also gained the impression that FOS really exists as a firewall for bank complaints rather than a true arbiter, a view I hold for both FOS, and ASIC thus far.

2 - [REDACTED]

What occurred?

December 2012

My family lawyer required funds to be placed in his trust account in order for me to comply with divorce orders.

This necessitated a return of part of the previously remitted (October 2012) funds from my [REDACTED] account

It was agreed that I would bring back Sterling amounting to £125,000.

Because I feared FOREX losses again I decided that the funds would be returned as Sterling and must not face conversion by an Australian bank at outrageous rates.

As my lawyer’s trust account would hold the funds this time I requested to my lawyer by phone and E mail that the funds be returned and held in his care **as Sterling**, and his accountant must take measures to ensure it, involving contact with the [REDACTED] so that my request was clearly understood.

The term FOREX gouging by banks was advised so my family lawyer would be no doubt that FOREX losses should be prevented.

In December 2012, [REDACTED] accountant [REDACTED] wrote to me and also [REDACTED] [REDACTED] (my family lawyer) internally, advising me that according to their bank, it was possible for the bank ([REDACTED]) to receive the funds as Sterling actually in [REDACTED] A\$ trust account.

She also advised the account number to be used. I was assured that the money would be as Sterling and although I was surprised by this it was welcome news.

I requested full details of the bank account, SWIFT codes etc. as with all international remittances to ensure that the funds were remitted to [REDACTED] account and remain in their trust as Sterling.

On 16th and 17th of December funds were remitted back to Australia in two tranches (due to remitting bank restrictions on the amounts which can be remitted on daily basis) to the designated [REDACTED] Sterling account number given by [REDACTED] of [REDACTED]

I then requested details as the owner of the funds after remittance to ensure they had arrived safely.

The funds (75,000 Pounds and 50,000 Pounds respectively) were remitted on 16th and 17th December arriving according to [REDACTED] statement on 17th and 18th December, but showing up **converted, contrary to my specific instructions** in [REDACTED] trust account statement as A\$133,527.76 and A\$88,066.20 - **a loss of approximately A\$8000.**

I was immediately outraged as the funds were converted regardless of my explicit instructions.

The official rate [REDACTED] for A\$ vs. Sterling on 17th was 0.548 whereas the funds have been exchanged at 0.562 - a loss of A\$3409.34

The official rate ([REDACTED]) for A\$ vs. Sterling on 18th is 0.540 whereas the funds have been exchanged at 0.568 - a loss of A\$4564.83 which is also inexplicably much greater than the loss on the previous (higher) amount.

I campaigned immediately for the funds to be converted back as £125,000 Sterling or my losses reimbursed but [REDACTED] weakly advised the bank of this remittance error, failing to pursue the matter citing that the bank considered that as [REDACTED] converted the funds as correspondents, [REDACTED] were unable/unwilling to help.

When I contacted [REDACTED] directly they advised as follows

- Funds were sent from UK without declaring "Do not convert"
- [REDACTED] converted the funds as correspondent bank according to [REDACTED]
- As it is not [REDACTED] account but [REDACTED]' trust account we will not discuss this further with [REDACTED] nor provide further transaction details.

However upon checking [REDACTED] reply with other banks and visiting the [REDACTED], Queensland branch of [REDACTED] directly I learned the following,

- Any foreign funds remitted to an Australian \$ account in [REDACTED] of Australia will be **automatically converted to Australian Dollars**
- A **foreign currency account must be opened** in an Australian bank if any funds are to be retained in that currency.
- Funds in Sterling **MUST** be remitted to such an account and there is no alternative means wherein Australian dollar accounts will hold exchange in foreign currency

Both [REDACTED] and my lawyer have paradoxically claimed all along that the remitter failed to state that the funds not be converted yet in fact the only way that this could occur was upon remittance to a designated **foreign currency account**

It is my view from this experience that [REDACTED] is at least unprofessional in failing to advise the correct procedures, and resorted to official lies and deceptions in avoiding paying back the funds which were stolen.

I have since brought the [REDACTED] matter and that of unprofessional conduct and official lies and deceptions by [REDACTED] to the following (frankly useless) institutions,

- The Queensland Ombudsman, [REDACTED] but this ombudsman refused my request to accompany me or send staff independently to verify, (i) how foreign currency accounts were used, and (ii) must be opened to receive foreign currencies if conversion of currency is to be avoided.
- FOS. This institution serves the banks and only stated that commercial FOREX rates are outside their remit, so they cannot express even an opinion.
- Legal Services Commission, to try to obtain cooperation from my family lawyers to make an official complaint, but no pressure was made to get my lawyer to deal with this matter under his client trust obligations.

I have kept the E mail exchanges with [REDACTED] regarding types of account and [REDACTED] admission that any foreign funds remitted to A\$ accounts will be automatically converted which is contrary to what [REDACTED] has implied in exchanges with [REDACTED].

But because my funds were remitted to my lawyers account, [REDACTED] conveniently will not discuss the matter of compensation with me, whilst my lawyer (whom I fired because of this matter) has not pursued the matter with [REDACTED] on my behalf so I am unable to progress the matter.

In all this I have found FOS, LSC and the Queensland Ombudsman to be lazy institutions hiding within a very narrow remit, even though all of my comments regarding the correct remittance procedures for [REDACTED] can actually be verified with [REDACTED] at any branch.

What is the result of more recent attempts with ASIC?

It is my view that the wealth of evidence I have provided should result in ASIC or another institution easily having empathy with my position.

However ASIC, whom I contacted after the RBC into banking have subsequently advised that because FOREX "is not a product or service" they are unable to look into it. I find this pathetic, another excuse by a so-called regulator, justifying inaction.

It appears that institutions in Australia like these just draw salaries whilst perhaps their lawyers write such lame terms of reference that these organisations become utterly pointless.

What outcome am I seeking?

I want my overcharged ([REDACTED]) and stolen ([REDACTED]) funds back as I feel both robbed and humiliated by a banking system which just serves its own and plunders clients.

How should the FOREX system be changed to be fair?

The model for all FOREX should be that which is used by institutions like [REDACTED] which charges a rate of exchange similar to the true rate and a nominal fee to transact.

Because the Australian banks have shown such obvious contempt for consumers they should be much more closely regulated by institutions as follows

- One institution please if possible (APRA should be considered as not impartial as it does not regulate the banks in the eyes of consumers and is not independent as it claims. It appears as part of the “Chardonnay Australia” banking fraternity)
- No more talk (bullshit) about “products” and “services” so that all transactional activities by the banks do not escape being investigated by the regulatory body or ombudsman.
- Truly unbiased regulatory body or ombudsman which has a mandate to protect consumers from big institutions and can, where a clear dispute imbalance is obvious such as when banks employ lawyers in disputes, prevent the banks from using their power to ensure outcomes in their favour.
- Regulatory body or ombudsman with much greater degree of scope not governed by internal lawyers and advisors to such extent that written terms of reference are so lame as to be totally ineffective.
- Engagement that ensures that officers step out of their offices and comfort zones including cyberspace to deal with issues on face-to-face basis where it is needed so that the tendency of the regulatory body or ombudsman to just send standard mails and distance themselves even from phone contact (the “Modern” way?) is ceased.
- Having no statute of limitations such that historical cases which still await outcomes fall outside this current ACCC remit (that is because ACCC’s terms of reference ask consumers to comment in cases only going back two years which is far too short in my view)

I Hope that by spending time and effort trying to bring these matters to ACCC I am treated with respect this time and the outcome leads to immediate change.

Sincerely,

[REDACTED]