Bank's Secret Weapon: Jeff Kennett

Summary:
The bank warriors have made their powerful presence felt at another bank AGM - this time at NAB's. Fireworks were seen with shareholders more than angry. Billions have been destroyed by poorly performing bankers who still demand big money for shocking conduct. Craig Caulfield initiated and co-ordinated the warrior's AGM action. He and the other warriors are champs in the battle for justice. Here reporter Joyce Moullakis explains what NAB is trying to do with the help of Jeff Kennett.

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Angry bank customers to get Kennett touch

National Australia Bank is borrowing from supermarket giant Coles’ playbook by drafting in a secret weapon, former Victorian premier Jeff Kennett, to help arbitrate customer disputes.

It comes as the bank has spotfires raging across its business as it navigates legal action by the

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corporate regulator, the Hayne royal commission fallout and a strong rebuke from shareholders on executive pay.

How NAB deals with aggrieved customers — and those with longstanding grievances and cases — will be telling on whether rhetoric about putting the customer at the centre of the bank's operations has substance.

The Australian can reveal Mr Kennett — in a paid role — has been **hired to help reassess customer cases, particularly those of 26 individuals who met with NAB chief executive Andrew Thorburn in Canberra after he fronted a parliamentary inquiry.**

Some of those are part of a 100-person group dubbed the "Bank Warriors," many of whom have traveled the country to attend the royal commission hearings and bought bank shares to speak directly to those at the top at annual general meetings.

Aggrieved customer Selwyn Krepp was flanked this week at NAB's fiery annual meeting by fellow Bank Warriors including Craig Caulfield and Michael Sanderson.

The group was able to lob about 10 questions, including about the bank's culture and accountability, at NAB's besieged board on Wednesday.

In solidarity with Commonwealth Bank whistleblower and bow-tie wearer Jeff Morris, the male members have also started donning bow ties.

Their campaign comes as 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.

On longstanding cases, NAB will be pinning its hopes on Mr Kennett and the strategy of using high-profile people to sort out disputes. Coles 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 over fines and extra rebates.

But it doesn't always go to plan. 7-Eleven brought in critic and former Australian Competition & Consumer Commission boss Allan Fels to help steer a panel assessing workers' entitlements following revelations many were being underpaid, only to later dump the panel.

NAB will likely draw on Mr Kennett's negotiating skills and experience as a former chairman of Beyond Blue. He isn't, however, a qualified arbitrator.

But Mr Krepp doesn't have a lot of faith in NAB's attempts to reassess his and other longstanding disputes after meeting with Mr Kennett in recent weeks.

An email this week to the group of 26 told them Mr Kennett's assessment would be complete by the end of January: "It is an experiment. I was unclear what Jeff Kennett's charter or purpose was."

Having an understanding of the sector as a former employee at another bank, **Mr Krepp's case centred on NAB's treatment of him after a fall that left him unable to work for some time. Several of his properties were seized.**

"We had hardship and I flagged it," he said.

"They (NAB) had hardship assistance but refused to invoke it."

But the now superseded Financial Ombudsman Service ruled substantially in favour of NAB in **Mr Krepp's case. He is determined to keep fighting.**

Commissioner Kenneth Hayne, during his final round of hearings with bank chiefs and regulators, said executives needed more accountability and to behave in a more commonsense way. Mr Krepp

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agrees: **“They have words but they don’t match it with actions.”**

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

The bank warrior team did a great job at NAB's AGM with bow ties and fascinators at the forefront. They supported victims of NAB's misconduct. Some cases going back decades. Hard question were asked and honest answers demanded.

Bank reform activists do not want any more of the bank's 3D treatment - Deny - Delay - Deceive. We successfully counter with the ELF - Evidence - Logic - Facts.

A flawed remediation program would just rub salt into the wound for bank victims. There are no kudos for any bank that diddles victims now that they have managed to get to the negotiation table.

The poorly constituted and resourced Hayne Royal Commission showed systemic and structural problems at the bank. Bank reform activists say what has been revealed is only the tip of the iceberg. Politicians have been told to support a longer & stronger RC. They must call for it and bring it about before Commissioner Hayne delivers his report in February**.** We suggest two or three independent Commissioners continue the work next year.

How can the culture of banks be changed?

Several key points bank warriors have been advocating for would change the culture and business practices of banks and bankers. Commissioner Hayne may come up with something similar ... but it is doubtful. An extended Royal Commission will almost certainly do the job properly.

1. Axe bonus schemes that provide perverse incentives.

2. Banks must not indemnify lawyers, liquidators & other agents used to do their dirty work.

3. When a banker breaks the law - take their assets, take their freedom (where appropriate) and fully compensate their victim.

4. A CEO or Director may not have been directly involved in a crime but if they cover it up they should be held accountable.

5. Whistleblowers must be highly regarded, protected and rewarded.

These ideas may seem radical but what seemed radical and unachievable five years ago when BRN first called for a Royal Commission seems to be quite reasonable now - perhaps even self-evident.

People are devastated by finance sector crimes and misconduct. Governments and regulators have let the people down for decades on this.

Links below: NAB Brought To The Negotiation Table after House Economics Grilling
The Remediation Formula Banks Want Kept Secret

Download the Flyer and send it to your MPs and Senators - it tells them why the Royal Commission must be turbocharged - find their details below

File Attachments: Attachment Size
265.73 KB

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Attachment	Size
10 Reasons To Turbocharge the Royal Commission	

Websites For More Information: Source
https://www.theaustralian.com.au/business/financial-services/banks-secret-weapon-kennett/news-story/00ff8bab2a6e182cea2f3f36d2efeaa6
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