

P O Box 24054
Christchurch Central
Christchurch 8140

Ph: 027-6828774
Email: lisa@lisacowe.co.nz

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By Email marketstudies@comcom.govt.nz

Dear Commerce Commission

Market study into personal banking services

I wish to make a submission on the preliminary paper that was published on 10th August 2023.

Attached is a letter from Dr Duncan Webb inviting me to make a submission to your study.

I would like to open first with an online fraudulent transaction that relates to the banks payment processors. The police file number is 230904/2460. I lodged the complaint on Monday 4th September 2023. If the Police respond I can forward the information to you later. I hope you will make some enquiries. The issue is I purchased two domain names online from a NZ domain provider (the Merchant). I used a Westpac Bank Debit (not credit) card which I believe is issued by Mastercard. I made one purchase but the Merchant was able to request from Westpac two payments against the one transaction and so two authorisation codes were issued by the bank. It was several days later that I noticed two amounts of money had been withdrawn from my bank account. When a few more days passed and saw that the issue had not been fixed I contacted both the Merchant and also the bank. The bank refused to accept responsibility and claimed it was a system error, and that the "error" was the fault of the Merchant because according to them they put through two requests for payment. The Merchant initially denied they did anything wrong. Once I advised them that a complaint had been lodged to the police they advised that the "system" issue was either caused by them or their billing Merchant Windcave. I am waiting for further information.

Long story short I was without that money for several days because someone committed a possible fraud or someones system is setup to allow two payments to be made in order that the bank can then issues two authorisation codes. I contacted the police because I thought NZ had some anti money laundering laws and Westpac made it clear that there is nothing they can do. They did say however that if I notice the issue again I can contact them to ask that they remove the transaction and they did provide me with the two authorisation numbers. This is something you will have to address with your study to ensure it doesn't continue happening. The issue has happened before but the amounts have only been around \$30 so I have never followed them up.

When I make an online transaction with my bank debit card I should be assured that there is no way that a duplicate transaction can be made when I have only made the one purchase. Banks and businesses are very good at saying "it's a system issue so we are not responsible" I don't

believe this to be correct. My understanding is that businesses and banks cannot operate in NZ if they have faulty payment systems.

The remainder comments I make today are based on my experiences with the banks in NZ and the parts of their businesses that are both regulated and unregulated. I have particular interest in the banking sectors because I was the victim of a creditor adjudicated bankruptcy in 2017. It was initiated in the name of the Bank of New Zealand (BNZ) by a third party who the bank has said directly that they no longer work with.

Dr Webb and Mr Grant Robertson made it clear in a public statement that the study will not consider corruption in the industry nor banking conduct. However In order for my submission to have context I will need to refer to such corruption and conduct as I have experienced it because such matters are extremely complex and the background will give you a clearer understanding of the issues that need to be sorted.

You can of course choose not to consider my submission if you believe it is not applicable to your study. I intend to continue making submissions from time to time when the government chooses to undertake any study that could result in decisions that negatively impact the lives of all the New Zealand people.

The Preliminary paper mentioned:

“Should the Commission be of the view that one or more matters listed above, or any additional matters not listed, are likely to provide special insight into competition for the supply and acquisition of personal banking services then the Commission may focus on those aspects.”

I would like to ask that your study considers matters whereby banks already currently limit access to banking services to groups of people marginalised by the government and society. Examples are people who are in formal insolvency procedures, prisoners released from prison, people in default of debt, and others who the banking system deem to be not worthy of holding a bank account. Such group of people in my opinion are being discriminated against by the banking system when they (the banks) refuse to provide the essential service of at least one transactional bank account and the ability to be able to make transactions without needing to go into a branch to do so.

Your preliminary paper at clause 35 States that banks provide services to depositors and borrowers and closely associated services such as transaction accounts. This point can be disputed in that as I mentioned in the paragraph above, banks can and do refuse to provide such services to people including groups of people it deems to be undesirable. It is my opinion given the fundamental essential service that banking provides, such refusal should be deemed an act of discrimination at a point of law. I hope your final report will make a point about this significant social and economic issue.

I will need to know if you choose to not consider these matters as part of your study so I can take other actions. Its worrying that your report only says that banking services are merely “important” when the reality is if you can be refused a bank account it will make life extremely difficult without such services. Banking needs to be an essential service that everyone in NZ should have access

to. Without a bank account the IRD won't issue refunds and it makes it difficult to receive public services and benefits if you don't have a bank account.

Today banks also use third party debt collectors, a substantial point your preliminary report did not mention. But I strongly urge you to consider that the banking sector partners with or makes use of other sectors in our economy in terms of associations in order to facilitate their services. All these have direct influences upon the banks and to their customers. Once a customer enters into business with a bank, they are often legally bound to whomever the bank is also associated with even if the customer is not fully informed that the banks can pass on their (banks) own rights to third parties even if it causes permanent financial harm to the customer. This is how the banking sector currently operates. And is noticeable when outstanding debt is owed to the banks or is in default.

Earlier I have brought to the attention of the government and the Financial Markets Authority issues around some of the operating procedures of the banks against certain groups of people in NZ. I am concerned that your study will not consider how banks operating in NZ can already exploit people simply because NZ law does not provide legal or adequate protections to vulnerable people who can be harmed by the way the banks conduct their business. The fact that so many are continuing to be bankrupted by the high courts is proof. Bankruptcy only means that a creditor can no longer pursue me for the debt. Bankruptcy does not actually discharge the debt with the original lender. If you were to contact the insolvency office with regards to the bankruptcy brought against me you will see that I continued making debt repayments to some of the creditors in the bankruptcy and I also settled some debt after I was discharged. The insolvency office can still update their estate reports (which they did in my case) if the debt is paid back after the bankrupt is discharged.

Your study needs to consider also that if you wish to make banks more accessible you need to understand how bankruptcy will impact on the public and public spending. BNZ and other banks have made it clear they only want customers who are prepared to get into debt. The UK report you referenced also says that the banking competition gave better options to people who were in debt. On my one bankruptcy alone the insolvency office spent more than \$20,000 over three years "administering" it, when both the courts and the bank knew I had no assets whatsoever even before I was bankrupted. The bankruptcy turned out to be a huge waste of money for all concerned and disadvantaged my creditors as well. The only good thing that came out of it, was I got a deep dive look into the corruption and lack of oversight in the banking and insolvency regimes.

I don't know how much of the official assignees spend came from money apportioned to it by the government. but I can assure you that huge cost on a debt of \$6,400 was because I kept in constant contact with the insolvency office in the hopes I could have a proper investigation into the bankruptcy. I was not given rights to fair hearing or even a proper investigation into how BNZ actually brought claims against me. They weren't interested in the fact that BNZ had initially agreed to a payment arrangement but later reneged on it. My submissions to the Finance Minister and others over the years have not resulted in any of these matters being addressed. Nor was I given any assurance that such harms will not continue against the NZ people.

As far as I am aware, bankruptcy hearings are the only court cases in NZ that refuse to let the judgment debtor receive a fair hearing, or allow them access to legal aid. In fact Mr B.T who committed the worse form of crime in March 2019, currently in jail was shockingly given more rights, support and resources by the government that what Judgment Debtors get for a far lesser "crime". I don't know how many banks are judgment creditors in a bankruptcy. Unlike our names that the insolvency office can splash all over the internet, the judgment creditors can keep their relationship with the public secret.

The other point to make is regarding competition. I would like to ask the commerce commission to consider that banking should be a service given to the NZ people as a fundamental right in law. Banks today can chose to refuse to provide any banking services to anyone it wants to and it does not even have to disclose why. The banking association has also confirmed this as well. Banks are within their rights to also close any person's bank account even when there is money in the account. They don't have to consider that such an action can cause sever distress and permanent harm to a person and their families.

There is nothing in the preliminary report that addresses discrimination against people who for whatever reason are denied the right to holding at least one transactional bank account. I am aware of some groups of people who are denied these basic rights. While I don't yet have figures, I can tell you that bankrupts, people released from prison, people in default of debt, are particularly vulnerable to being denied basic banking services. My request to you is that you must consider vulnerable groups who could be severely impacted by even minor changes to the banking sectors, due to the current lack of legal protections within those sectors.

Crossborder and privacy issues are currently not addressed either. It is likely that already banks along with their associates operating in NZ hold our personal and private data in other countries that we don't have the right to request access to. Consideration also needs to be given as to our rights with regards to the sale of debt products including mortgages and other financial instruments.

There is nothing in your preliminary report that suggests that our government is going to prioritise fair banking services to ensure people who are disenfranchised and marginalised in someway can at least have access to one transactional bank account and to be able to use eftpos facilities, internet and phone banking so they can still function in society. After a meeting I had with ASB Bank I was shocked to learn that they actively discriminate against people based on their financial position. I had held bank accounts with ASB for years. I also closed my bank account with ASB prior to being forced into bankruptcy by the high court, and the small \$100 overdraft I had with them was already paid in full. When I approached them later to reopen another bank account they refused on the basis that I was bankrupt. My understanding is that they only want customers who carry debt. While it was not expressly stated by ASB, when other banks have also refused me services, I can only assume this to be the case, because when I approached the banks about this they did not deny it.

What has impacted on the credibility of the NZ banking systems are that they are so unregulated that this terrible injustice to prevent us from even having access to our own money still continues to this day. I am grateful to others who have courageously spoken out about terrible injustices that have been done to them by the banks operating in NZ now. Stories such as banks forcing

people out of their homes, having banks refuse to accept hardship arrangements or setting them up and then refusing to honour them.

The Commerce commission vision will never come into being if you don't end what can only be described as Collective Corporate Bullying, behaviours done to us by the banks and their associates, and along with public agencies involved in the debt collection process. Today I am still a member of the Australian and New Zealand Mental Health Association and in 2020 they allowed me to speak at their conference about the impact of bankruptcy on mental health.

Changes to the Privacy Laws recently mean that its easier for third parties to access our personal information. Already much of our data by banks is held offshore. I also know that banks do engage in cross talk to other banks about each others customers. How are you going to address this as open banking becomes more common. I already don't like that NZ banks can today give my banking history to another bank or another party in another country without asking me first. I don't benefit from that.

The banking system in NZ is so unregulated that once we are in any relationship with the banks in NZ we lose a lot of our rights even to our own information. When I approached BNZ and asked them to provide me all the information they had on me they refused on the basis that they had sold the debt and handed over all my banking information to a third party debt collector. Even today if I want to talk to BNZ about my past banking history, they say the same thing "you need to talk to EC Credit Control" really? I thought I was in business with the bank?? Not some rogue who acted in BNZ's name and went so far as to create fake invoices and then submit them to the tribunal in Wellington. If that wasn't enough, in BNZ's name, the debt collector in a sworn affidavit gave a false company name. His lawyer Carlile Dowling Lawyers and again in BNZ's name then went and submitted to the high court the sealing of the tribunal order without even letting me know. Today I am preparing a short process ruling to submit to the IRD to find out why the personal credit card debt suddenly turned up to the insolvency office by BNZ's lawyer, has a GST component because I was never GST registered. I did ask the insolvency office because BNZ gave the authority for the lawyers to do that, but they won't investigate further. This is actually a complex area of law that no one is prepared to address. Even the Law Society could not provide any answers. It will cost me \$2000 to put through the short process ruling but I believe its necessary to have it established at least how GST is dealt with on personal credit card debt, once it arrives at the insolvency office.

Banks are using their positions of power and the hold they have over us through debt, to govern our lives. A manager of ASB bank said that NZ people don't have the right to a bank account, and it's a privilege to be able to hold one. I was flawed when they told me this, because I did not believe that they have such a cruel disdain for people in financial hardship. That's how we are treated.

People in financial hardship don't have the skill or the resources to be able to defend themselves against the likes of the banks, their debt collectors and their lawyers. In order for BNZ to bankrupt me, they involved three different law firms, two high court cases, disputes tribunal hearing, a debt collection agency including two visits from a private investigator! All for a debt of just \$6,400.00 because they refused to negotiate any settlement or offer that I could afford. Then they kept right

on going with their lawyers to turn that \$6,400 into more than \$14,000. I provided the claim proof in the attachments.

This is why I came up with the term Collective Corporate Bully because that is exactly what this is – multiple entities coming together to force a person to give them money or to bankrupt them. I joined the Australian & NZ Mental Health association because part of my goal is to have actions like what have been done to me and others, formally recognised as a trauma, which then I believe we will at least be allowed some support.

When I brought these injustices to the State Services Commission and to the Parliament Ombudsman I was told I must use the court system and there was nothing they could do about it! Even you yourselves told me directly that you don't deal with individual complaints when I wanted to report the actions of EC Credit Control (NZ) Ltd. My concerns were (and still are) that these same collectors are also collecting debt on behalf of government agencies.

If you are in doubt as to my experiences of banking in NZ as I have mentioned them in this submission, then by all means please contact the Official Assignee. They spent substantial public money administering the bankruptcy that was brought against me in BNZ's name. I asked them to undertake a full investigation. I am sure you will be interested in their reply. The bankruptcy estate number if you wish to contact the insolvency office in Chch is 883066. I have no objection to you contacting all the parties that were involved in my bankruptcy that was initiated originally by the BNZ. Request documents, look at the courts records and talk to the insolvency office if you want real insights into how the banks treat their customers.

Under NZ law, my bankruptcy remains public. As a result I have been contacted by many people including other bankrupts who have shared similar stories to mine. I am pleased they have because it means we can support each other and know who are the rogue banks and their associates, so we know not to do business with. Through each of our experiences we can learn the true risk of what it means to do business with any bank. And what is the reality of our rights when we borrow money. Its not only the banking system that is not fit for purpose but the entire financial systems of our country. Things won't change for us until you address that. I also had a sit down meeting with the Manager of Equifax and I attended one of their creditor meetings and learned a lot about the new strategies they are suggesting to lenders to get more customers and debtors on board! Was shocked to learn some of the marketing strategies they use.

Today's economy is not the same as it was back in 2011 or even before the GFC. Banking and lending services have not changed since then in any meaningful way to be advantageous to the banking customer.

In your final report I will be looking at what you will be recommending to the government that needs to be done to prevent financial harm to others because of a lack of oversight into the current banking and lending and debt collection regimes, because they are all products and services that cannot happen with a banks involvement.

When I become in default of debt, lending codes were already in place, however they are not legally binding on any bank. And they don't apply to the tribunals or the courts. Meaning the tribunals and the courts can make rulings against a person and impose financial burdens that can force further debt against a person and make rulings to pay back substantial sums without them

needing to consider if such decision is in my best interests or if I can even afford to. Why must we suffer a permanent bankruptcy just so the banks can ditch us as customers. That is why I was bankrupted. BNZ spent more money on bankrupting me than the amount of the debt I owed them.

The only changes I see that might protect vulnerable people from exploitation is changing debt to income ratios. It means that many will be spared the horror of debt collection and bankruptcy if they can never get into debt in the first place. Today I live as I should have been living and surviving, on my own income. That at least gives me better control over my life that what being in debt has ever done.

Most people cannot create real wealth through debt or savings alone and its sad to hear that so many misinformed people continue to believe they can because of the way banks and the government can market their services and how so called "financial experts" can keep promoting misinformation about the realities of how much it actually costs a customer to stay in debt for years at a time.

To sum up the issues, the banks operating in NZ are able to discriminate against people they deem to be not worthy of operating in our society. I underline the word discriminate, because as of yet, the Human Rights Act and indeed NZ law does not yet recognize that to restrict access (by way of banks being able to refuse to provide a bank account) to being able to purchase essential goods and services is discrimination. And it should be recognised as such. Everyone in NZ should have a fundament right in law to be able to access a bank account in their own name and to be able to use such to purchase goods and services with their own money. And they should be allowed to retain such an account regardless of their financial situations or their past or current situations. A bank account should not be given based on a credit score, because this is another industry that is not regulated. Credit reporting and credit scoring can negatively impact someones right to also access essential services.

The UK retail banking report you referred to in your preliminary pages speaks of switching banks to be more advantageous to customers who carry debt.

It is my experience and my opinion for what its worth is that the banking systems and models are not fit for purpose and have not been so for some time. The fact that I was forced into bankruptcy initiated in the name of the Bank of New Zealand, against my will and without any due process is proof of that.

If you are in any doubt as to the legitimacy of my submission, I do hope you contact me further and I am happy to provide further correspondence and information if you think it will be useful to your study. None of the correspondence is confidential. Some of such the insolvency office has on their files. I am sure you are aware that any member of the public or government organization can request to see any information about any bankrupt at any time.

I am happy for you to publish in full my entire submission, along with my full name and contact information, including all attachments if you so choose to do.

The outcome that I believe needs to happen is that every NZ person has the right in law to be able to hold at least one transactional bank account and that they have full access to banking services (not including debt or other borrowing). ANZ Bank have made it clear that any entry into

their bank they deem to be an act of trespass and I included a copy of their trespass notice signed by an ANZ manager in the attachments.

How I ended up in financial hardship was a result of the Chch earthquakes in 2011. When the ANZ bank called me, unsolicited and offered me substantial further lending, without them requiring any information as to my current financial position nor without me needing to sign any contract. You can see that the Banking Ombudsman found them to have been reckless in their lending. The result of which, had I signed the one page document, the ombudsman attached to their letter, would have made my financial position worse as well as confirming that the bank had indeed been reckless in their lending. None of these issues have been addressed by the current government.

I wasn't the only person that ANZ offered lending to after 2011. Because the Banking Ombudsman deemed the borrowing I accepted from the bank to have been reckless by ANZ, then I put to you that ANZ needs to return the interest on the lending that they gave to other customers they contacted as they did to me. I would like the Commerce Commission to strongly consider approaching ANZ bank about this. I have a contact for you if you need one.

Neither the banking systems nor the insolvency regimes are fit for purpose. They are systems and policies that cause substantial and permanent harm to the people of NZ if not only on their own but through the associations they have with other sectors. Some banks and other industries require that a person disclose if they have ever been bankrupted. A discharge after three years means nothing, when the impact stays with us for life.

I have advised the Treasury and the FMA that I will forward a full report to them and include all of the detail of the bankruptcy against me so they can get a proper look at how banking actually works in NZ. I have already spoken to other authorities to find out what I need to do to make sure banks cannot keep their same business models, because they don't serve all the NZ people fairly. As ANZ bank have already confirmed to me in an email that they are not under any obligation to abide by any decision of the banking ombudsman, I have taken it upon myself to the setting up of a charity which will give other victims the opportunity to come forward. Once the charity is fully established I will have more information to attach to the report I am currently compiling for the Treasury and the FMA. I will forward you a copy as well when its completed.

What little changes that have been made in the banking system so far are in response to the earlier Global Financial Crisis. I also wrote to Dr David Tripe and he actually replied, however his response was less than positive.

The other thing that needs to happen is for there to be an independent body that will allow disputes and fair agreements to be reached between banks and their customers. Currently NZ does not have any agency who will do this. The court system is also not the appropriate body to do this and the government cannot expect people in financial hardship without a lawyer to come up with the skill or resources to be able to defend actions from banks who will go to any lengths to bankrupt a person. One important aspect I learned about even the disputes tribunal is that the banks will put a claim to them in order to have the tribunal referee make a judgment that can be later used by the judgment creditor as a supporting document in a bankruptcy. My right to a fair hearing actually ended at that point. I was not told of my rights by the Tribunal referee either. This

process is so secret, even the BNZ lady who appeared in the tribunal on behalf of the bank was not wearing a BNZ uniform.

You cannot bring further banking services into the NZ markets without addressing these substantial issues. The very fact that the banking ombudsman confirmed that ANZ bank had lent recklessly (letter attached) and that no disciplinary action was taken against ANZ is proof that their business models are unregulated. And ANZ were still able to bring a full claim for all the debt into the bankruptcy. What good is any regulatory system if there is no consequence to the bank. BNZ were allowed to "sell" the debt equity to a third party who was not regulated or bound by any NZ law, as such EC Credit Control (NZ) Ltd along with Mark Austin and their lawyers were able to try and force me to pay them large amounts of money. They acted in this manner all because of a personal credit card I had with the bank.

Banks have the ability to onsell debt to unregulated debt collection industries, some of whom only operate as subsidiaries in NZ. Banks would not use such services if they did not profit from them. Some debt collection agencies and including the unregulated credit reporting industries, are owned by overseas investment companies. This is how I learned that NZs financial sectors provide subprime investments to such overseas investors.

Its not only how the banks treat NZ customers but consideration must be given to the way their associates can get involved in our financial lives. There are many methods that banks can use to circumvent laws that would otherwise protect the NZ people. Being able to pass on their obligations as a lender in order to change the legal nature of borrowing to become a defaulted debt, means that the rules of fairness and acting responsibility no longer apply. Anti Harassment and Human Rights Laws don't protect debtors from being constantly harassed by phone calls, threats of legal action and bankruptcy.

Likewise with the credit reporting regimes, their algorithms that those industries use to provide credit scoring, can be manipulated by those agencies. Thanks to some courageous whistle blowers I learned that banks work together with credit reporters to alter a persons credit score. I am not sure of the correct legal term, but Tortious Interference comes to mind.

Such happened to me also when I saw that Veda Advantage (now Equifax) artificially aged my credit report which negatively impacted my score. Credit scores ruin lives and the introduction of comprehensive credit reporting only makes it worse. NZ does not have legal avenues to defend such actions. People can't afford the luxury of taking a bank or corporation to court. I have refused to do business with some providers because they use credit reporting systems. Equifax and others can give our financial histories to anyone who subscribes without requiring any checks. And there is no one regulating their scoring algorithms. People can be refused essential services because of credit reporting and credit scoring. This is currently why I am homeless. In China my understanding is that they operate a social credit system. I dread the day if such ever operates in NZ. Given what we all have been through these last three years, anything is possible. Credit scoring is a way to blacklist people from the economy so I suppose how credit reporting and credit scoring operates in NZ is not too far removed from the China Social Credit system. The Chinese system actually began as a credit reporting system.

With regards to Financial Technology one report you mentioned suggested that such systems are more focused on providing solutions for clients and setting new standards of service and

customer experience. I hope those standards are actually beneficial. Today NZ in terms of banking and financial services are still so far behind the rest of the world. Its taken decades for the banks to start introducing every day transaction processing to other banks. And while that's all well and good I still have to wait hours for money I transfer to appear at the other end on the same day. I have an unused bank account with one bank simply because they no longer provide debit cards that don't display my name. This is a huge backward step and security issue. Now if my card details get stolen, criminals have my name as well. Certainly this policy of printing real names on debit cards does not give me any confidence that I will be safe on online. So I either use other services or just limit my online purchases, so I transact less.

Because the government chose to publish my full name and age on their public insolvency register for anyone to exploit I've got hardly any protection at all from online cybercriminals. Its no secret that billions of dollars are stolen every year from NZ people. That cannot happen without the banking systems.

While the banks and other industries have brought rise to services that use fintech, that does not mean that the core banking services or contracts with customers has changed. Technology actually makes it easier to be contacted by multiple debt collection companies for the same debt. Not only do we receive emails and letters threatening all manner of ugly actions, but also in the form of texts as well.

I simply find it bizarre that even in court that it cannot be established who I actually owe money to, nor who had the legal right to bring court claims against me. And doubt has been cast as to who is actually lending the money that the banks provide to their customers in the first instance. I can tell you that there are three different debt collectors that have contacted me with regards to the same debt that I owed to the ANZ bank and I can tell you that if I contacted each of those companies and offered them to repay the debt I owed ANZ in full, they all would accept the money. Debt factoring is a substantial crime in NZ and the actions of debt collectors and credit reporters on their own, have made a huge dent in the credibility of not only the banking systems but the entire financial economies in NZ and all over the world. Credit reporting and credit scores are significant barriers for customers needing bank accounts even without any borrowing.

Not many know that Equifax can wipe 1000 points or more off a credit score when a person is bankrupt. The credit score Equifax holds against me, went from positive 330 to negative 970 literally overnight. And they claim that a credit report is a persons asset! I don't understand why they can so badly misrepresent who benefits from a credit report or a credit score. This should be illegal under the Fair Trading Act! Those lost points don't go back on after the bankruptcy is discharged. Next year Equifax will release to me my new credit score. It is the credit score that will alert any lender to my past history, because only a bankruptcy can put it so far into negative. A credit score or lack thereof can cause essential service providers to refuse to provide any services to new customers. This is another action whereby people are being discriminated against because of a relationship they have had with banks and other lenders.

If the government and the banking sectors are concerned about their failing credibility then they need to take a good look at themselves, and their financial markets, because it is those entities and corporations and their associates whose questionable actions have given us reason not to trust them. Maybe one day things will change for us. Actually I know things will improve because

we won't tolerate their behaviour anymore. For now I'll look to alternative solutions that means I don't need to rely on the banking systems who have made it clear they don't want to do business with me.

The understanding of bank lending and mortgage contracts. This is another huge issue. These are very complex to the point that borrowers don't understand what they are actually signing or how much risk they are really taking on. They don't disclose all of the borrowing risk to the customer. Banking and lending contracts have clauses that waive a borrowers privacy rights and some also have specific clauses that mean the borrower agrees they must pay all collection charges in the event of a default.

Another point to mention this time from a whistleblower of a NZ bank who told me of a term that the bank uses called shadow banking. They allow bank accounts to go into overdraft even when the account is supposed to be stopped at zero. And I'm not talking about fees that put it into overdraft either. For this reason I was forced to close a bank account because I expressly stated that I wanted a bank account that stopped at zero and was told it would. However this was not true.

The last point to mention is you need to consider the rise of scam internet sites that continue to offer lending to the NZ people as more people turn away for the corrupted banking regimes. Often they give the appearance that they are based in NZ but they are not. Some even use domain names that end in co.nz. I will not elaborate further on this, though I am sure that others will report such actions.

Look, what I am trying to tell you is that you have so many legal issues and loopholes in the current banking systems that I fail to see how your little market study is going to reform things anytime soon. The issues I have brought to your attention in this submission are far too complex for even the finance minister to address. I have also contacted several MPs and none are prepared to address the issues in the banking sectors in order to provide better outcomes for the NZ people.

Questions I choose to answer.

Q. Do I agree with your description of the personal banking sector.

A. Not entirely based on the non-mention in your report of the relationships that banks have with the likes of credit reporting industries and debt collectors. You also don't seem to understand that banking is in fact an essential service in NZ and you cannot improve your quality of life if you cannot have even one bank account to transact with. There is nothing in your report that I can see how I will benefit from any further banking activities. Your report also didn't say much about the fact that the government consults heavily with the banking sectors in Australia when it wants to change financial laws of NZ. I question how much influence we the people of NZ actually have when you invite us to comment on your study.

Q. Do you agree with your description of the regulatory environment for the personal banking sector.

A. No. Reread this submission if you missed why the first time.

Q. Factors that have the most influence on financial performance of NZ personal banking service providers.

A. Debt. For reasons such as already outlined, and the fact that huge sectors of debt providers are unregulated. Debt is actually NZ's biggest asset over and above dairy and farming.

I would go so far to say that there is no real competition in the banking sectors of NZ. Only the appearance of it. I learned through the bankruptcy that it doesn't matter which bank is owed the money or what financial product its named under. It all ends up in the hands of the same financial industries. They all collaborate and support each other. They spend billions to sell us all manner of financial debt products. We think we are winning when we move from one bank to another because we think we are saving a few dollars in interest. At the end of the day the banks have our money and the ability to keep us in debt for life. That is what is destroying our economy, our people and our wellbeing. Banks and all financial institutions and their supporting agencies only have one goal and that is to get us to part with our money in whatever form they can get it, even savings that are locked away in Kiwisaver schemes that financial managers and the IRD (through tax) and the banks still profit from. While we the lenders of our money don't even get a say in when or how we can use it.

Banks don't compete for customers who are bankrupt, or who are in default of debt, or who are in financial hardship, please don't be in any doubt of that. The letter I attach from the SBS bank basically confirms this.

Q. Do we agree with your choice to focus only on personal banking services.

A. No. At the end of the day the bank refers to the human customer as the asset regardless of whether the lending is business or personal. In the event of default they combine all debt into one lump amount. You cannot understand how any system operates if you are only prepared to look into a small portion of it. You cannot know the ingredients of a pie, if you only study the pastry. And you cannot make a pie if you don't have all the ingredients including the dishes and oven to make it with.

Q. What interactions do banks and other providers of personal banking services have with each other.

A. This is a big part of my submission already.

Competition in banking if it exists at all, and I don't believe it does, is only a factor when a person wants to borrow money. You never hear people talk about how they are moving banks because bank staff treat them better or because they are saving significant money in bank account fees. A lot of people myself included use non-banking services not because of competition in the banking sectors but because of corruption in the banking sectors including lack of regulatory oversight, too much control on consumers by the banks and government etc. I simply have more rights and can protect my money better in other financial instruments or alternative payment systems. Those establishments can never bring fraudulent bankruptcy claims against me.

Q. How do banks segment customers.

A. With debt and how long customers stay in debt overtime. Credit scores are based on how good I am at keeping on borrowing. Now that I don't borrow money the banks don't want to know me.

Lastly, I'd just like to take a minute to say a huge thank you sincerely to all the the non-banking conglomerates and individuals and businesses who continue to be my friends and associates, and support my wellbeing regardless of my financial status. It is because of their kindness that there remains hope for our people.

And because I am not anti-bank establishment, I would also like to thank the banks who do still provide me with banking services, regardless of my previous or current financial situations. There are still some who so far remain untarnished. As a citizen of New Zealand I must also offer an apology on behalf of our government because they have allowed our people to be bullied by the banking system and the courts and for the systems and the courts to do nothing to stop it. I know some have drastically ended their lives because of how they have been destroyed by banks and other financial corporations in NZ. I am so sorry this happens and continues to happen in NZ. The high court still continued bankrupting people during the pandemic. What a tragedy and an embarrassment for our country.

PS I have attached some supporting documentation that you may find useful. When I finish my full report to the Treasury and the FMA later, I will provide further documentation. You are welcome to request further information if you so choose to and I don't have any objections to you contacting any bank or organisation if you wish to hear from them because of what you have read in my submission. You can forward this submission to them for their comments if you wish. There is nothing in my submission that needs to be kept confidential.

Regards

Lisa Jane Mary Cowe
(Signed Electronically)

Encl.

"Banks are not obliged to help their customers" The Banking Ombudsman Scheme