

This submission is in relation to Terms Of Reference item 3.4 , but impacts upon many other terms of reference.

Most of the major institutions in the Financial Sector are large slothful organisations such that were they to be owned by any Government the responsible Minister would not tolerate their lack of customer focus and put the cleaners through them. Serious attention needs to be given to the structures of these organisations in terms of focus on objectives including serving their customers and the accountability of people within the organisation for delivery of services.

Unfortunately, technology is conspiring to make things much worse. Banks used to have managers who met with their customers in person and were responsible for meeting their service requests. Nowadays, many services are provided and the end of a telephone line or even by an e-mail address. Customer interface where it exists is provided by relatively junior staff members whose job it is to insulate the more important people in the organisation from inconvenient accountability for anything that has not been done or has gone wrong. The customer does not have a clue who to follow up with when things do not go as expected. People in the organisation remain free to pass the buck around for as long as suits their desire not to accept responsibility without being held to account. The charge for the poor service provided appears on their statement, whenever the bank chooses to provide it.

These banks form an oligopoly and to suggest that competition might regulate their self serving behaviour is simply ludicrous. Other Financial service providers behave in pretty much the same way eg. insurers. About the only things that work relatively well are those where the customer has access electronically to transactions. eg. ATMs, eft, investment management.

There needs to be some legislated requirements for providing accountability for service delivery supervised by an appropriate regulator.

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