

FINANCIAL SERVICES INQUIRY

Mr David Murray

Dear Sir,

My name is David Bone I have been a small business owner for over 35 years in the Hunter Valley of NSW . At all times my core business was involved in building and development.

In 2008 my company Gelrol Pty Ltd took out a loan with Bankwest, I was never informed that the Commonwealth Bank had purchased it also in 2008.

During 2010 the Bankwest Regional Property Manager position was terminated and I was left without a local manager to assist in any account matters that may arise.

The facility was due for renegotiation prior to the 28th February 2011, the Bankwest representative from Sydney stated that the loan extension was subject to a new valuation and that no decision would be made until the valuation was completed. (there is evidence of this).

Initially Bankwest had requested a registered valuation prior to the offering of the loan and a further valuation was undertaken two times between 2009 and 2010 for their use. At all times it was undertaken by one of the Bankwest panel valuers.

Due to my hospitalisation with a staf infection over the period surrounding the 28th February 2011, I needed a extension until at least I came home from hospital , I contacted the Bankwest employee who informed me that a decision on the facility would not be considered until a valuation was completed.

The valuation was dated the 31.3.2011 even though the valuer from Colliers was still requesting information from me in late April 2011.

The valuation was such that Bankwest demanded that I pay \$2.6 m plus immediately due to them as the valuation figure altered the LVR , this valuation has always been disputed, as there is sales evidence to .

Due to their manufactured default Bankwest / Commonwealth Bank upgraded the interest rate to an accelerated rate and this was paid up until June 2011.

In addition the valuation which I had requested a copy of was charged at \$14,000.00 in June 2011.

Eventually Bankwest in September 2011 appointed the receivers Taylor Woodings. This despite the Bank statement still showing an extension to the facility for a further month (this had been the case since the end of February 2011, the March 2011 statement showed a further one month extension each month and so on.

The manner in which the default on what Bankwest / Commonwealth Bank relied upon is questionable at least, the effect of the appointment of the receivers and their subsequent questionable sale prices have been devastating to myself and family. The sale prices the receivers obtained in one my properties is only one /tenth of adjoining properties sold at the same, time which were entirely ignored.

In another case a property was sold for around \$1m less than what was offered by other parties with no explanation.

The loss of 30 years of business due to the bank's actions is immeasurable. My young family now finds itself in a very difficult position with several members suffering health issues, including my elderly parents. The family now rents as it was forced to sell its home and the children's future is unsure.

I would appreciate you considering my letter as part of your deliberations, noting I have evidence of what has been stated above and many other issues which have occurred since.

I am available to discuss in further detail if required and would encourage a Royal Commission into the Bankwest takeover from the Commonwealth Bank, this may assist the future generations of Australians to have confidence in the Australian Banking system and not be scared to borrow from them.

I encourage you to read my submissions -

- Post GFC Banking Inquiry 2012 No 71 plus supplementary submission
- The Senate Inquiry into ASIC performance 2014.

Yours sincerely

David Bone

100 Clarence Street, Wallalong - 2320

djbone@idl.net.au

27th August 2014