

## Senator probes Banwest valuations

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### Jonathan Barrett

Nationals senator John Williams will push for a broad inquiry into banking practices regarding allegations that Commonwealth Bank of Australia-owned Bankwest engineered cut-rate valuations in order to wind up at-risk clients.

The allegations, which are strongly rejected by the bank, are alleged to have occurred not long after CBA bought Bankwest in 2008 and imposed stricter lending criteria.

Mr Williams said a broad inquiry to determine whether bank customers had enough protection was warranted.

"I have people who are telling me that they've never missed an interest payment but they are in a pressure cooker," he said.

"We need to see that privateers get close to market price when their assets are sold, particularly when liquidators are involved."

Unhappy bank customers have been in Canberra this week lobbying politicians including Mr Williams and Opposition finance spokesman Mathias Cormann for an inquiry. Sources close to proceedings said there was support among senators for a broad inquiry into banking practices, even though calls for a specific probe into CBA and Bankwest had not gained traction.

A Bankwest spokeswoman said the bank had assisted customers during the weak global markets where property values and development suffered between 2008 and 2011.

"We strongly deny these allegations," the spokeswoman said.

"When customers do sometimes face financial difficulties, our overriding priority is to work closely with them on an individual basis to try and assist them wherever possible."

Under the hand of outgoing Bankwest managing director Jon Sutton, the bank reduced its loan impairment expense from a high of \$825 million to \$109 million for the 2010-11 financial year.

The incoming chief executive, CBA general manager of retail and business Rob De Luca, will oversee any fallout from any inquiry.

The Australian Financial Review



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