

# Report fuels push for bank royal commission

## Finance

**Sarah Danckert**

A “damning” report into lending practices by the big banks to small business has fuelled calls for a royal commission into the financial services sector.

A report by the Small Business and Family Enterprise Ombudsman released late last week found a range of lending practices by Australia’s banks to small business could be improved.

The inquiry considered the submissions of 23 affected customers finding that one third “were representative of poor bank practices and possible unconscionable conduct on the part of the banks involved”.

Opposition spokeswoman for small business and financial services Senator Katy Gallagher said the report was “damning” and highlighted how the banks had been “unfair in their dealings with small and medium businesses in loan contracts and are refusing to change their ways”.

“The time has come for Malcolm Turnbull to stop protecting the banks and accept that a royal commission into the banks is the only way to get the systemic and permanent change required within Australia’s banking industry,” Senator Gallagher said.

“Small businesses are the engine room of the Australian economy and as loyal and long term customers they deserve to be treated fairly by the banks,” Senator Gallagher said.

Greens’ Treasury spokesperson

Peter Whish-Wilson said the report focused on “relying on the banks to be nicer to customers”.

“You might as well be asking a tiger to become a vegetarian,” Senator Whish-Wilson, a former investment banker, said.

“The issues highlighted in this report show once again that a royal commission is needed to find out exactly what is going on in the banking sector and to compel the government to make meaningful reform.”

The report authored by ombudsman Kate Carnell made 15 recommendations to level the playing field for small business borrowers.

The government-commissioned report recommended the Australian Securities and Investments Commission appoint a dedicated small business commissioner and that a national approach to farm debt mediation be adopted.