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Sales and bonus culture directly linked to collapse of Storm: FSU

4 September 2009 | by Corrina Jack

The Finance Sector Union (FSU) has called for an end to the sales and bonus culture that it said was directly linked to the collapse of Storm Financial.

A hearing for the Parliamentary Inquiry into financial products and services held in Queensland was told the [Commonwealth Bank](#) ramped up sales targets, hoping to wring more and more business from [Storm Financial](#), according to a FSU statement.

The inquiry heard that the Commonwealth Bank's sales targets for North Queensland soared by \$180 million in 2008-09. Its target of \$750 million in lending was equal to that of Brisbane, which had more than twice the number of lenders, the statement said.

The sales targets for North Queensland were imposed by the state manager in full knowledge of the business Storm was providing, FSU national secretary Leon Carter advised.

Carter believes the bank's claims that the problems associated with Storm were isolated are clearly wrong.

He said it was not the fault of a few individuals working inside this sales culture, but the fault of organisations that deliberately create and reward such behaviour.

"What the inquiry heard this week completely undermines the bank's claim that one or two rogue lenders caused this financial pain," Carter said.

"The [Commonwealth Bank] and Storm seem to have been so busy creating and rewarding a culture of chasing sales volume they forgot their responsibilities to the people relying on them for professional advice – their customers."

Carter called for an end to the practice of approving high risk-loans or "loading Australians with more debt" in order to reach sales targets.

"If banks won't end it voluntarily, governments must do it for them," Carter said.