

256 Dora Street,  
Dora Creek NSW 2264  
16.6.2017

EDR Review Secretariat,  
The Treasury,  
Langton Crescent,  
Parkes ACT 2600

Compensation Scheme of Last Resort.

I refer to the "Supplementary Issues Paper" requiring the Panel as follows to: -

- make recommendations on the establishment, merits and potential design of a compensation scheme of last resort; and
- consider the merits and issues involved in providing access to redress for past disputes.

In my earlier letter of 18.1.2017, copy attached below, I explained the devastating case of my daughter [REDACTED], a mental health disability pensioner, who has suffered some \$45,000 loss following a failed claim by [REDACTED] and the Financial Services Ombudsman.

I fully support the concept of "A Compensation Scheme of Last Resort" and suggest [REDACTED] experience would make an excellent Case Study for the following reasons: -

- The Ombudsman Service clearly did not have a Case Manager with expert small vessel experience, and passed the case to a second Case Manager, after some four months delay, with similar lack of expertise.
- An "independent expert" was commissioned, however this "Expert" was an Assessor in the same industry, had no small vessel expertise, and even failed to board the vessel!
- [REDACTED] claims managers and the "independent expert" showed little respect for a female claimant, especially one with a disability, and would not accept her advice of actions not carried out by repairers. Twice her distress caused the Ombudsman Service to contact a police callout.
- [REDACTED] sought help from her local Federal Member who referred the issue on to ASIC who suggested Legal Aide.
- Robyn later sought direct phone contact to ASIC and was advised to contact either Fair Trading or Legal Aide.
- After finalising the claim, unfinished as it was, [REDACTED] refused to re-insure the vessel for its \$90,000 value prior to the partial submersion as it "did not meet their criteria". (Subsequently a Central Coast shipwright refused an offer to purchase the "restored" vessel for \$45,000).
- The six-page report submitted to the Ombudsman Service by [REDACTED] of technical experts, was rejected. [REDACTED]

██████████ and his Company have credibility in investigations of this nature, ██████████ himself having worked in marine rescue.

I've suggested to my daughter, to relieve her of the ongoing trauma of owning a vessel she cannot use, that she should sell it and seek Legal Aide to then sue ██████████ ██████████ for her loss. ██████████, to her merit, refuses to do this believing it to be an unsafe risk for an unsuspecting new owner.

In conclusion, I believe this to be a classic case for a "Compensation Scheme of Last Resort" where truly independent advice can be called upon to adjudicate a proper settlement.

Ron McCarthy.

Mob. ██████████