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August 1<sup>st</sup> 2014

Financial System Inquiry  
GPO Box 89  
Sydney NSW 2001

**Re: Proposed "Bail-in" Legislation designed to protect those banks considered to be "Too Big To Fail"**

To whom it may concern,

I watched with horror as some European Governments recently seized the bank deposits of their citizens in an attempt to prop up their failed banking system, leaving a populace completely devastated, with their savings substantially gone and future in jeopardy. To see our own Government(s) try to introduce similar legislation here is simply shocking, but to read the interim report on FSI and find that Australia is actually seriously looking at this as a means of insulating the big banks against their gambling losses is just unacceptable.

I cannot and will not accept that a depositor with a bank is to be considered an "unsecured creditor" when a bank gambles with their money and loses it - they chose to gamble with our deposits and they have to wear the losses - they were not given permission to gamble with it and that is wrong. We put our money in a bank and accept far lower returns than are achievable elsewhere because we wish for security, not to find that they have gambled and lost it and we get left out. If I wished to risk my hard-earned money then there are a multitude of means for me to do so, including the share market, investment property, Ponzi schemes, the TAB and many other ways.

The FSI **must** find that Australia needs a separation of commercial banking from investment banking – I understand that Glass-Steagall was proposed and initially overlooked by this Inquiry, but we need this Legislation in order to protect the citizens of this country from the looting of deposits that will occur when the investment (or speculative) banking system and it's over-exposed derivatives market collapses - as it eventually must. This way, the commercial banking looks after the savings and assets of the people, and investment or speculative banking caters for those that willingly invest with them in the full knowledge of the risk that goes with it.

The banking industry's stance that financially, it cannot afford this separation is totally unacceptable because we, the citizens of this country, cannot afford **not** to have it.

Please accept this submission and take the contents into account when finalising the report as this proposal means a lot to myself - and to most other Australians, even if they do not yet know of the risk they are facing and the long-term implications for all of us.

Yours Truly

Laurie Preston

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