

29 November 2017

# Private & Confidential Investigation Report

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# Investigation Report

## 1. Background

Tim Cradock is a former employee of Commonwealth Bank of Australia (CBA).

We understand that Mr Cradock has made disclosures under CBA's Group Whistleblower Policy. CBA accepts that the Group Whistleblower Policy applies to these disclosures.

## 2. Scope

The Investigators were appointed to investigate and make findings of fact only in relation to the allegations of Mr Cradock.

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6.1 s 45

It is alleged that:

- (a) During a period up to 2012, there was a systemic practice of CBA branch staff depositing their own money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets;
- (b) During a period up to 2012, there was a systemic practice of CBA branch staff depositing bank money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets;

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- (d) [If (a) and/or (b) are substantiated] When (a) and/or (b) were identified, the only action taken was the circulation of a memo warning branches and front-line staff that they should not, under any circumstances, deposit their own and/or bank money into customer accounts to convert them into quality accounts.

6.2 s 45

At the beginning of 2013, it was identified that some Branch staff were making small deposits (of less than \$1) into newly opened YouthSaver accounts to make them 'Quality Accounts'. s 45

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branches generated over 80% of all YouthSaver accounts with an initial deposit of less than \$1.

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On 8 March 2013, § 45 advising that it had been confirmed that *'the activation of youthsaver account from either discrepancy funds (loose change) or from staff funds is somewhat "common practice"'*. § 45

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§ 45

§ 45 says  
*'In particular the utilising of Teller Discrepancy funds or processing valueless deposits is serious misconduct'* § 45

concludes by advising:

§ 45

§ 45 may see staff  
become subject to disciplinary action which may result in termination.'

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Allegation	Finding
<p>During a period up to 2012, there was a systemic practice of CBA branch staff depositing their own money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets</p>	<p>It is substantiated that in the period to 2013, there was a practice of some CBA branch staff depositing their own money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets. s 45</p>
<p>During a period up to 2012, there was a systemic practice of CBA branch staff depositing bank money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets</p>	<p>It is substantiated that in the period to 2013 there was a practice of some CBA branch staff depositing bank money into newly opened YouthSaver accounts within 30 days of the accounts being opened in order to convert the accounts to "quality accounts" so they would count towards sales targets. s 45</p> <p>the practice is more accurately described as being reasonably widespread within the branch network</p>
<p>s 45</p>	
<p>[If (a) and/or (b) are substantiated] When (a) and/or (b) were identified, the only action taken was the circulation of a memo warning branches and front-line staff that they should not, under any circumstances, deposit their own and/or bank money into customer accounts to convert them into quality accounts</p>	

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