

Round 5 Royal Commission Update

NAB – Paul Carter

Continuing on from [Monday's session](#), Michael Hodge QC questioned Mr Carter about whether the bank was avoiding classifying the superannuation plan service fees (**PFS**) remediation as an issue of fees for no service to avoid bad publicity in ASIC's fees for no service report. At that point, the remediation was estimated around \$34.3 million however, the estimated bill NAB published on ASIC's report was \$16.9 million. Mr Carter said his boss at the time, Andrew Hagger, had contacted ASIC prior to the report's release to advise them of the issue.

Mr Carter maintains that NAB was not charging fees for no service, as members would have been provided general advice or support services.

NAB application for non-publication

On Tuesday, NAB made an application for non-publication directions. On Thursday morning, Commissioner Kenneth Hayne decided to make the documents public, as they involve matters which go centrally to the terms of reference.

Mr Hodge suggested that the application was made at the last moment because the Commission had only received the majority of NAB/NULIS documents last week.

NAB – Nicole Smith

NAB's Nicole Smith took the stand on Tuesday, formerly the chair of the banks' super fund trustee that is supposed to look after the interests of fund members. Mr Hodge questioned Ms Smith about negotiations between ASIC and NAB over fee for no service remediation ([read our last blog discussing these fees](#)), with Ms Smith seemingly out of the loop on these negotiations. Mr Hodge suggested that as the chair of the trustee, Ms Smith should have been involved in the process.

In its response to ASIC's concerns about the PFS, NULIS stated that the fees were for access to financial advice, as opposed to the provision of financial advice. Ms Smith acknowledged that this statement was an error on her behalf, and not what she believed at the time.

Ms Smith also noted that members were agreeing to pay the PFS by remaining in the plan and were advised of the fees when they joined the plan through the PDS.