

Ignored, neglected, penniless, terminally ill: Morrison's contempt for elderly Sterling victims

The Senate inquiry into Sterling First has exposed the Australian Securities and Investments Commission's (ASIC) attempts to cover up its appalling regulatory negligence. The inquiry has recently been extended to report by 1 February 2022 and a third hearing has been confirmed for 15 December, which will provide time for Senators to properly investigate ASIC's "regulatory catastrophe", as a former ASIC official called it on the 30 November episode of ABC 7.30. While this is welcome news, the fact remains that elderly victims have *still* not been compensated for ASIC's failure to protect consumers. And while they endure the torture of this penniless limbo, they are sick and dying, and spending their final years overwhelmed with the shame of losing everything to a scam.

Two and a half years of stress and anguish has taken a dreadful toll on the health of the elderly pensioners. Although Treasurer Josh Frydenberg has airily waved through \$40 billion of overpaid Job Keeper entitlements to businesses which didn't need the money, the Morrison government callously refuses to pay a comparatively tiny \$18.5 million to compensate Sterling First victims for the financial ruin caused by ASIC's maladministration.



Some of the Sterling First victims. Although they put on brave faces, they are enduring immense financial, emotional, and physical suffering, from being denied compensation and facing eviction, homelessness and poverty. All Australians should find this unacceptable. Photo: www.sterlingfirstvictims.com

In submissions to the Senate inquiry, Sterling victims state that they have been ignored and treated with contempt by Prime Minister Scott Morrison, Frydenberg and ASIC; moreover, victims consider the years of neglect from the government and the regulator to be elderly abuse. Victims state that "[a]fter all the rallies and all the letters written, not one of the powers that be has shown us any compassion", "[w]e the victims of this terrible crime have been treated with such disrespect from the Government."

One submission observed: "It's disgraceful how we've been treated by the system, we've been thrown under the bus by ASIC. Older people can't start again, we've lost all of our money and our homes. ... It is dreadful the way that we have been treated. It is so stressful, people have died or are terminally ill. People in their 70s, 80s and 90s have just been left and ignored. It's just terrible and shocking the way we've been treated."

The elderly victims have described serious hardship and having to live below the poverty line, "in an absolute nightmare not knowing where we will end up". Victims can't afford everyday social activities, or to buy birthday or Christmas presents for their families, or to take their grandchildren on outings.

Victims describe years of stress and anguish

In addition to the trauma of being scammed out of their life savings, elderly victims have described the "unbearable" and "overwhelming" stress and anguish they are experiencing due to ongoing financial hardship and imminent homelessness. For one couple, "[e]very day [this] has consumed our lives and given us mental stress." Another couple wrote that "[f]or the last two and a half years every waking moment is a nightmare".

Numerous elderly victims have had to go on medication for depression and anxiety. Victims have experienced panic attacks, and are being treated for major depression and suicidal thoughts. Several of the elderly people have seriously considered suicide. One victim wrote of watching his wife "go from a happy positive person ... to someone who has lost the will to look beyond each day".

Victims described the immense stress caused by losing "not only our savings but our security,

wellbeing and pride". They express debilitating humiliation, saying that the Sterling scandal "has stripped us of our life savings and dignity". One victim said that after the collapse: "I blamed myself, I was very low. I seriously considered taking my own life. For six months, I couldn't bear to tell my family what had happened to me." Another victim said, "I didn't want my family to know as I was upset and embarrassed to think I'd put my life savings in the hands of unscrupulous people".

Delayed compensation causes deteriorating health

Elderly victims, now "penniless [and] homeless", are also "[p]hysically suffering with health issues due to the stress of it all". One submission stated: "[t]he impact of the collapse of Sterling has impacted on our lives, it is terrible ... Our health has deteriorated dramatically to the point we don't want to face the world."

One victim, who has a chronic autoimmune condition, described "severe financial distress", writing that "[t]he constant stress and anxiety has severely affected our mental and emotional state, and I am experiencing a continual flare-up of my chronic health issues. My doctor recently told me that I need to get an MRI, but it's not covered by Medicare and we can't afford it."

In a 29 November 2021 post to the Sterling Australian Senate Inquiry group's Facebook page, Denise Brailey, founder of the Banking and Finance Consumers Support Association and advocate for Sterling victims, wrote that sadly, 17 of the Sterling First victims have died while waiting for the Morrison government to act. Brailey described the two and a half years of "mental cruelty" the victims have endured, and observed that stress is a killer of the elderly. Brailey described the current health problems that many Sterling victims are facing, which include hospitalisation with heart issues, cancer, chemotherapy and other serious health issues.

One Sterling couple, who are both in their eighties, have been evicted from their home with nowhere to go. Sadly, the wife is terminally ill in hospital, and her illness has been aggravated from stress. Her husband spends his days at her bedside; he is staying with relatives but doesn't have secure accommodation. One of the other Sterling victims wrote a submission to the Senate inquiry on the couple's behalf, stating that the "tenacity and dignity with which they have endured their trauma has earned them the lasting love and respect of the group and provided inspiration to other tenants who have faced court action ... [they] epitomise the values that this country once fought for".

Several submissions to the inquiry were written by the children of Sterling victims who have since passed away. The children of Sterling victims who have since passed away have spoken of the trauma their parent experienced, submitting their stories to the [Sterling First Victims website](#), which the Citizens Party has helped to set up. One such submitter stated that her mother was made very unwell by the "enormous stress" of imminent homelessness. Shortly after receiving an ultimatum from her landlord to pay up or get out, her mother was rushed to hospital and passed away the following night, before her family could be by her side.

The daughter of another Sterling victim states that her mother passed away "due to the stress and trauma caused from being a victim of the Sterling New Life collapse ... not knowing if she had a roof over her head and losing her hard earned money, finally took its toll on her. ... Sterling New Life victims have been waiting two years for Treasury to fix this, constantly being ignored only caused my late mother further anguish. No elderly person should have to suffer this".

Victims must be compensated immediately

The Morrison government's heartless foot-dragging on compensation for the elderly victims of Sterling First is a moral outrage. Evidence presented to the Senate inquiry has already demonstrated that ASIC was criminally negligent—elderly victims must be compensated immediately for the regulator's failure to protect consumers.

Morrison's delay is unconscionable. Every day they are not compensated, elderly victims are living under the poverty line, in constant fear of being thrown out into the street, many with serious health issues or terminal illness. As one victim wrote: "My wife and I have lost everything ... our future is bleak."

One submission stated that Sterling pensioners "are victims of the worst kind of crime—abuse and theft from the elderly". Another wrote that "the way we have been treated is disgusting and disgraceful. When ASIC fails to do its job of protecting consumers, then the government is responsible. ... We must be compensated, the government must give our money back so that we can enjoy the rest of our life, the time we have left. We are stressed, always worrying about what's going to happen. I had to move out of my Sterling home and am paying rent now, rent is going up all the time."

The Morrison government must compensate the victims for ASIC's maladministration immediately. The unnecessary delay is heartless and cruel. A mere \$18.5 million will compensate victims for the losses incurred because of ASIC's negligence, allowing them to get on with their lives. As one submission wrote, compensation will give Sterling victims "a chance to enjoy the rest of the remaining years with some dignity and peace of mind".

My late dad was let down by ASIC and our politicians

Several submissions to the Sterling First Senate inquiry were written by the children of Sterling First victims who have since passed away; such as Submission 52, which is excerpted below.

My Dad passed away last year at the age of 82. He was supposed to live out his twilight years in comfort but lost his house and his pride when Sterling New Life went into voluntary administration. ... I could write you how I think that this affected my dad, but I recently found a letter that he had drafted and so word for word I shall copy it here.

To anyone who cares,

I would like our politicians and regulators to know just how desperate and completely hopeless most of us victims feel. At 79 years of age, I sold my house and entered into an agreement with SNL with a life lease. I wanted to see out the rest of my years using my own resources and not be dependent on my children. Of course, they were close by and still able to keep an eye on things.

So here I am at almost 82 and have virtually lost everything. I never went into this lightly. I am generally very careful about such matters. I was told that these agreements were okay by Centrelink and even had a phone call from an ASIC person who failed to tell me that they had been investigating this group for years. What to do? I made the decision rightly or wrongly to move out and find somewhere that I could manage to rent. Seeing that all my money had disappeared this wasn't easy.

I think that I may be better off than some of the other losers. I am widowed so I have only myself to worry about. I am generally a steadfast sort of person who just tries to get on with things. However, it is very hard to put something of this magnitude behind oneself. That money that they stole was to pay my rent for the rest of my days. I would seriously hope that polities from both sides can get together and help us all to get our money back. My own money is all I want, not a cent more. And I want you to know that although I have portrayed myself as being somewhat strong about this debacle, I can assure you that I am suffering. A lot of my friends are doing it tough. People who were happy just a short while ago are now depressed and sick. I am sure that decency will win in the end, and you will all help us to get what is rightfully ours.

My Dad never complained to his children about what he has been through and losing him has been tough on all his family, but to see him living his last few months in a shabby rental and to hear him one day tell me how ashamed he is of what has happened sickened me to the core. My Dad had nothing to be ashamed of. He put his faith in a system that let him down, but beyond that he has been let down by ASIC and our politicians.

I hope that you can see that the many people who like my dad lost their life savings need the federal government to act quickly and compensate these elderly people now while they still have life left in them.