

BNZ customers hire Cameron
The National Business Review - 22 Mar 1996 : Page 4
NEWS
By GRAEME HUNT

Several former Bank of New Zealand customers have engaged litigator **Grant Cameron** to press their claims for compensation for failed foreign currency loans.

Mr Cameron confirmed this week he was acting for the borrowers' lobby, the Foreign Currency Borrowers' Association (FCBA), and expected to receive instructions from about 50 victims of failed forex loans.

The Christchurch lawyer, no stranger to controversy, sued the Law Society on behalf of clients of the failed law practice **Renshaw Edwards**. He acts for Morgan Jones, the boy seriously injured after a fall from a South Island train, and for the families of the 14 people killed in the Cave Creek tragedy.

Mr Cameron said he had met with members of the FCBA and was investigating allegations (published in The National Business Review, December 4, 1992) BNZ and other banks mismanaged the loans and neglected their duty to customers.

More serious matters, which BNZ has in the past refused to comment on, include allegations it took secret commissions and purported to set up forex loans but lent the money from local funds and passed simulated exchange losses on to clients.

None of these allegations has been seriously tested in New Zealand courts but banks' behaviour in Australia in promoting and managing forex loans came in for severe criticism in the federal Parliament.

The first foreign currency loans to customers in New Zealand started around 1977 but the bulk of the 1500 or so forex contracts sold by BNZ and at least eight other banks were entered into after exchange controls were abolished in 1984. Because of the six-year statute of limitations on civil claims, FCBA members and others hurt by forex loan losses are obliged to go to court or let their claims drop - unless they can prove the banks acted criminally in the marketing or management of the loans.

But proving BNZ and others committed fraud or took secret commissions is no easy task and former forex borrowers are hoping the banks will settle rather than risk their reputations in court. Mr Cameron will be meeting with borrowers in Christchurch tomorrow.

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