Fat finger creates financial anxiety

Although rare by today’s standards the fat finger returned last week with near dire consequences.

David Jacobson of Glen Iris, called in at a local branch of a leading financial organisation last week and asked for a quote for an investment loan.

The customer service officer who attended to Mr Jacobson and prepared the quotation, keyed an interest rate of 3.60% instead of the correct rate of 6.30% and as a result, overstated the maximum amount Mr Jacobson could borrow by approximately $85,000.

Mr Jacobson was issued with an ‘in principal’ certificate of borrowing.

Excited by the figures he was quoted, Mr Jacobson successfully put in a bid at an auction for an investment property during the weekend.

Upon completing the loan application Mr Jacobson was shocked to discover that his original quotation was a mistake and that he could not borrow the full $390,000 he needed for the property. Furious, Mr Jacobson threatened to take the financial organisation to court for misrepresentation. He also had to attend to the embarrassing matter of explaining his predicament to the real estate agency, Neil Van Deer.

The financial organisation apologised to Mr Jacobson but refused to honour his original quotation explaining that this quotation included a disclaimer. They also emphasised that although this was not the way they normally do business, that this was an honest mistake.

Amanda Knight from the financial services advocacy group, People for Financial Propriety, described Mr Jacobson’s situation as another case of appalling mistreatment of a customer by another large financial organisation and called on the ombudsman to investigate the matter.

Mr Jacobson has since closed his account with the financial organisation.

The CSO overestimated what Mr Jacobson could borrow by almost $85,000.