Blairs Takes a Battering!

Blairs, Australia’s fourth largest financial services firm, took a battering yesterday from the press when the Supreme Court of New South Wales awarded damages to Mr Reed, one of Blairs most influential and long standing customers.

The problems between the two parties surfaced about 10 months ago, when Mr Reed acting on the advice of one of Blairs financial advisers, lost a significant amount of money and sued Blairs for an undisclosed amount.

It was later found that the financial adviser did not hold a licence to provide financial advice and that his conduct was unethical and unscrupulous.

Blairs contested that they had only become aware of the financial adviser’s conduct two months ago and that they immediately asked him to leave the organisation.

Despite distancing themselves from the financial adviser the court found that Blairs were liable as the financial adviser was representing the firm by providing advice and selling Blairs’ products and services.

Justice Bright, presiding over the case, expressed grave concern that Blairs, widely regarded as a reputable financial services firm, had failed to recognise that the man at the centre of the controversy did not hold a licence to provide financial advice and sell financial products and services.

What has made this situation even more tenuous is that the man in question has been acting as a financial adviser for another firm over the last two months.

ASIC, the Australian Securities and Investments Commission entered into the debate yesterday, claiming that they have been investigating the financial adviser and have recently received a number of complaints from infuriated customers.

They have confirmed that the man has never received proper authority training and is not licensed to provide financial advice.

Even though the man’s name can not be divulged due to a court order, this is only the beginning of the saga.

He and Blairs must now answer to a number of regulatory bodies and face heavy fines.