

BACK TO THE BEGINNING

STORY / Adam Zuchetti

PART I

Imagine a world where the fax machine hadn't even come out yet. Imagine each loan application being written by hand, and the various documents being submitted by post, with instructions delivered by messenger. Imagine there being no such thing as trail commissions. Sound like the basis of a horror movie? This was real life for the pioneers of the broking industry as it stands today...welcome to the first instalment of *The Adviser's* three-part series on the evolution of broking in Australia



"Brokers don't exist for the benefit of banks - brokers exist for the benefit of consumers... consumers understand that"

Gerald Foley, managing director, National Mortgage Brokers (nMB)

GERALD FOLEY is probably best known to most people across the third-party channel as the managing director and co-founder of aggregation group nMB.

However, Mr Foley's entrance to the broking scene actually came a lot earlier, having been one of the people who first orchestrated ANZ's recognition of and engagement with third-party loan introducers.

"ANZ had dealt with brokers more as referrers and more as a very, very decentralised model - so different branches or centres might deal with brokers around the place," Mr Foley says.

"But ANZ took the view that they needed to grow their share of new loans being written, and needed some centralised processing control over accrediting brokers and processing the loans.

"I joined ANZ specifically with another person to set up the broker channel with ANZ Bank. To their credit, they were the first major bank to deal with brokers within their own brand."

Having achieved this for the bank, Mr Foley -

like so many of his contemporaries - recognised the possibilities within the burgeoning channel, which led him towards joining Mortgage Choice to set up their Victorian office before later establishing nMB in 2001, where he has remained since.

"I just think the consumer proposition is unparalleled anywhere, where you can tap into an experienced finance professional who will assist you through a whole range of lenders and products and education on property," he says.

Mr Foley suggests that banks and brokers can sometimes clash in the customer service stakes, yet each should remember their unique proposition and work to their strengths.

"Brokers don't exist for the benefit of banks - brokers exist for the benefit of consumers. The banks are best at gathering deposits, developing loans, creating products and features because that's what they are good at. Brokers are far better at sales because they have a broader proposition, and consumers understand that."