

# Public Trustee fails to protect accident victim's interests

**The Public Trustee has been ordered to pay a car accident victim tens of thousands of dollars for a bad decision that resulted in a failure to look after the young man's \$463,000 damages payout.**

Kay Dibben, Court reporter, The Courier-Mail

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THE Public Trustee has been ordered to pay a car accident victim more than \$37,000 compensation, after a tribunal found it failed to protect his financial interests.

The Public Trustee, which held hundreds of thousands of dollars in damages paid to the accident victim when he was 18, gave the man's father a \$20,000 interest-free loan in 2006.

The three-year loan from the son's money was for the unemployed father to clear all his household's debts, but he only made 10 out of 18 repayments.

Queensland Civil and Administrative Tribunal heard the son was not always living with the father during the loan period.

The Public Trustee also gave the father another \$1200 in board and lodging payments, at a time when his son was homeless and the father was five months behind in loan repayments

It gave the father \$1329 to pay for groceries and a phone bill, although his son lived with him only intermittently, the tribunal heard.

As the son's court-appointed administrator for his financial affairs, the Public Trustee was responsible for looking after \$463,921 in damages he was awarded in 2001.

For years the young man drifted between around, but in 2003 he went to live with his father, stepmother and their children, in their rented house.

From 2005, after the father resigned from work to look after the son, the Public Trustee began paying \$150 a fortnight for the son's board and lodging.

The tribunal heard the father and stepmother first asked for a \$20,000 interest-free loan from the son's money, so they could buy a house, and it was approved in principle.

But the couple changed their plans and instead asked for the \$20,000 loan to clear all their debts.

The loan was approved, without the Public Trustee inquiring about the debts, and it was to be repaid through the father's Centrelink payments and him paying another \$256 a fortnight.

"There were certain obvious errors made in considering the prudence of this loan and in the completion of the loan arrangements," tribunal member Jeremy Gordon found.

He said it was clear on the true figures and information available to the Public Trustee that the family was living beyond its means and it was imprudent to make the loan.

The Public Trustee did not include the working stepmother in the loan and made a "gift" of an interest-free loan.

"The whole basis of the loan had serious weaknesses," Mr Gordon said.

On June 6, he ordered the Public Trustee to pay the son, now in his late 30s, \$37,404, including \$19,205 interest.