Brands Behaving Badly: Causes, Cases and Consumer Protections

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Abstract

This article posits *7 reasons* why there is significant consumer and employee dissatisfaction regarding the bad behaviour of corporates across most industries globally. These reasons are discussed at length with case examples. The reasons are: (1) consolidation of the industry players resulting in lack of competition; (2) charging more for less due to the resultant lack of competition; (3) exploitation of workers due to lack of jobs; (4) the illusion of scarcity supposedly due to political, climate and recessionary fears; (5) conflicting corporate objectives due to short-term share price dominance over customers, employees, environment or society; (6) the flagrant breaching of the law because if caught, the punishments are light compared to increase in revenue; and (7) misdirected rage at each other due to the 'survival of the fittest' evolutionary trait.

Multiple cases are provided of examples of bad behaviour including *bullying; arrogance; failing to honour commitments; lying; aggression; cheating; dishonesty; disruptive behaviours* and *sexualised behaviours* amongst many others. The need for better consumer and whistle-blower protection laws and integrity in the financial reporting and auditing process are seen as solutions to curbing such bad behaviours in corporations.

Introduction

Most flying passengers have their own airline horror stories: delayed and cancelled flights, no legroom between seats; reduced number of toilets; services not offered or extra-charges for services once given free; lost baggage, etc., the list goes on.

A review of newspaper articles, consumer reports and social media posts show that these horror stories apply across all airlines: from once 'A-Listed' *Qantas* and *Singapore Airlines* to budget airlines like *Jetstar* and *Scoot.* There are horror stories from both economy and business class passengers. It's just that business class passengers pay a lot more money for their horror experiences.

What has made flying a nightmare for many people? The answer is simple, - companies just do not care about their customers, or their employees or their reputation. Companies in most industries—not only in the airline industry—care only about shareholder profits.

I posit that there are **7 reasons** why this turn of events has come about. These are:

1. Consolidation of the industry players (resulting in lack of competition)
2. Charging more for less (due to lack of competition)
3. Exploiting workers (due to lack of jobs)
4. The illusion of scarcity (due to political, climate and recessionary fears)
5. Conflicting corporate objectives (due to short-term share price dominance over customers, employees, environment or society)
6. Flagrantly breaching the law (because if caught, punishments are light compared to increase in revenue)
7. Misdirected rage (due to the 'survival of the fittest' evolutionary trait).

A search on Google for examples of **bad behaviour** lists: *bullying; arrogance; failing to honour commitments; lying; aggression; cheating; dishonesty; disruptive behaviours* and *sexualised behaviour* amongst many others. In this article I will provide examples of companies with brands and reputations that were once impeccable displaying these incredibly bad behaviour in more recent times.

All of the bad behaviour that emanates from one or more of the 7 reasons listed above apply across almost all industries, as seen from the many examples from diverse industries provided below.

Reason 1: Consolidation of the Industry Means Fewer Choices.

In the USA, while there were once many more airlines, a series of mergers and acquisitions for the last three decades has left only four in control of about 80% of the market. In Australia, just two airlines, *Qantas* and *Virgin*, control a whopping 95% market share (Visontay, 2023).

This kind of consolidation has been happening in most countries, especially in airlines; banks; food & grocery; paper; credit cards; pharmaceuticals; insurance; financial services, and management consulting.

For example, four companies in the USA now control 80% of all beef and two control over 60% of paper products. In Australia, the big four banks, *Commonwealth, Westpac, ANZ* and *NAB* control 75.2% of the market. Retail giants *Coles* and *Woolworths* have 64% of market share for food and grocery, while in telecommunications, *Telstra* and *Optus* control 81% of the market (Visontay, 2023). The home and motor insurance market in Australia is dominated by four main insurers—*IAG, Suncorp, QBE and Allianz*—issuing cover under multiple brands. Collectively, these larger insurers make up approximately 74% of the market.

Consolidating industries can have serious negative consequences for stakeholders such as increased prices, lower quality products or services, underinvestment, decline in access to business ownership, and harm to workers, to name a few.

Here are some recent cases.

Qantas
This Australian icon is now the poster-boy for bad behaviour. Australians have never been more dismayed and distrusting of corporations. *PwC, Optus, Medibank, Rio Tinto* and countless others have gone down a pathway of temporary self-destruction by failing to appreciate the power of company reputation. However, nobody thought that Australia's golden child, *Qantas Airways*, would join this list. Not only has Qantas joined it, but poor management and public deception means it now tops the list. The once-vaunted *'Flying Kangaroo'* has become the *'Lying Kangaroo'* (London, 2023).

The ruining of Qantas' reputation has to sit with one man, the previous *CEO Alan Joyce,* who took over in 2008. He made some controversial decisions, but because of the company's high standing with the Australian public and its shareholders at the time, Qantas always seemed to dodge the bullets. For example, in 2011, as a result of continuing industrial unrest, the whole mainland fleet was grounded by Joyce. This had a significant and negative impact on public perception, but escaped government scrutiny.

But the *'Straw that broke the Camel's back'* was the actions taken due to Covid-19. In March 2020, Qantas announced it was suspending 60% of its flights and putting two-thirds of its workforce on leave, suspending all international flights and mothballing more than 150 of its aircraft. Three months later, the airline announced 6,000 employees would lose their jobs. This was followed up by a statement in November that all passengers would need to be vaccinated to fly, and that a further 2,000 job losses were to occur.

While Qantas argued these were all necessary tactics to survive, it did little to keep the support of its loyal passengers. The reputational rot was about to peak when in 2022, Qantas landed in hot water with the *Australian Competition and Consumer Commission (ACCC),* which accused Qantas of engaging in false, deceptive and misleading conduct by advertising tickets for more than 8,000 flights that had *already been cancelled* (in some cases for up to 48 days before), and that Qantas had not notified existing ticket holders that their flight (one of 10,000 flights affected) had been cancelled (London, 2023).

At the time of the 2011 grounding of the fleet, Joyce told reporters that this was to stop industrial action from *"killing Qantas slowly",* accusing unions of *"trashing our strategy and brand".* With the ACCC action in 2022, Qantas stood accused of trashing its own brand — without the help of trade unions (Ryan, 2023).

Consulting Industry

If a list were made of the most reviled species in the professional world, only investment bankers would stand between management consultants and the top spot. Sceptics portray these corporate consiglieri as snake-oil salesmen, bamboozling chief executives and politicians with management gibberish and glossy charts while gorging on fat fees. Indeed, the profession was once the subject of a five-season skewering in a star-studded tv series titled, *“House of Lies”* (Economist, 2022). The global consulting services industry was estimated to be worth between US$700 billion and US$900 billion (A$1.06 trillion to A$1.37 trillion) in 2021-22 (Nichols, 2023)

However, the consolidation of the consulting industry has left only a few global choices: *McKinsey, the Boston Consulting Group (BCG), AT Kearney, Accenture, Bain* and the Big-4 accounting firms, *PwC, KPMG, Deloitte* and *Ernst & Young (EY).* This has led often to significant *conflicts of interest* with these firms often playing both sides. Unfortunately, these conflicts of interest are the norm rather than the exception worldwide, especially with regards to private consulting firms advising governments.

Governments all across the world, including those in Australia, utilise the services of consultants. Since the 1990s, commercial companies that provide advice and assistance to government and non-government organisations have played an increasing role in the political scene. Here are some recent examples of consulting firms often playing both sides:

PricewaterhouseCoopers (PwC)

A top PwC tax advisor, Peter Collins, was assisting the Australian government in developing stricter multinational tax legislation as part of an international campaign to stop large corporations from reducing their tax obligations and moving profits elsewhere. Collins agreed to keep the information secret and had signed confidentiality agreements with the Australian government. However, instead of keeping the information confidential, Collins sent in 2015, an internal PwC email to his PwC colleagues so they could warn clients about impending events (Ratnatunga, 2023). Collins also gave a private copy of an OECD draft document on *"mandatory disclosure of tax planning schemes"* that highlighted potential steps to minimise tax evasion globally; and included information about various tax efforts, meeting agendas, anticipated timings, and government thinking (Belot, 2023). The *Australian Tax Office* says millions of dollars in annual tax revenue could have been lost if PwC had successfully rolled out a tax-avoidance scheme it designed using confidential government briefings (Lowrey, 2023).

McKinsey

Another example of a conflict of interest is the case of McKinsey - whilst it undertook a *net-zero report* for the Australian government in term of climate change mitigation— the same firm was also advising 43 of the world's top 100 most-environmentally-damaging companies at the time when the report was prepared. The *New York Times* reported that McKinsey has advised at least 43 of the top 100 corporate polluters in the last five decades, including *BP, Exxon Mobil, Gazprom,* and *Saudi Aramco*, bringing in hundreds of millions of dollars in fees for the company. (Forsythe and Bogdanich, 2021).

Deloitte
In South Africa, the *Treasury Department* contracted with and/or hired *Deloitte* to advise on *Eskom* — one of the few remaining vertically integrated utilities connected to the *Southern African Power Pool* — on its debt and restructuring issues, whilst Eskom was suing Deloitte for contractual fraud at the same time. Accepting such a consultation was in violation of all corporate governance, risk management, control, and independence rules (Ratnatunga, 2023).
Critics claim that governments and the larger public sector have, frequently to their harm, become unduly dependent on a few big consulting firms, especially when they are appointed in an opaque process without any perceived expertise in the area, carry an expensive price-tag, and are not accountable when the advice they give is a failure in the implementation (Burton, 2021).

Reason 2: Companies Charging More For Less

The consolidation of industries and the resultant lack of competition has led to many of the other bad behaviours; including charging more for less, exploiting workers, and the illusion of scarcity.

Even before recent airfare spikes of 2023 and 2024, air travel was getting more expensive because of new fees for things that used to be free like: allocation of seats, in-flight meals, checked bags, even carry-ons. In the USA, *Spirit Airlines* even charges $25 to print a passenger's boarding pass at a ticket counter — it is just a piece of paper.

Airlines are leading an economy-wide trend of adding often unexpected new charges to goods and services without adding any value, i.e. passengers are getting less services in return for higher fares. Airlines have cut an estimated 20cm of legroom and 5cm of seat width in the last two decades. Even the number of toilet cubicles have been reduced. This parallels other industries where customers are paying more for less. Confectionaries, paper products, breakfast cereals, shampoos all shrinking in size.

In service industries this charging more for less services is widespread. Bank fees have gone up whilst the number of suburban and rural branches have closed, and even in branches that are open, the number of tellers at counters have been reduced to, most often, just one. In supermarkets, whilst prices have skyrocketed, services have reduced. Self-checking is now prevalent in most major supermarkets — with only one check-out counter with a staff member behind a cash register.

In Australia, without meaningful competition, the two airline giants have had little incentive to improve on time performances, with cancellations and delay rates worsening. For example, their domestic on-time performance in 2023 was 71.8%, well below the long-term industry average of 81.5%. Such falling service levels have raised concern about Qantas' and Virgin’s market share, but it was Qantas’ dominance — now 66% of domestic aviation — that has raised most concerns; especially after the pandemic when Virgin went into receivership and emerged with new owners (Visontay, 2023).

Qantas
Charging customers more for less services and exploiting the workers who provide these front-line services, has ruined Qantas’ reputation. Customers and employees do not like being deceived or

exploited, particularly when the person deceiving or exploiting them is paid a significant remuneration. Valid or not, most of the general public disagree with the outrageous CEO remunerations that are being paid to CEOs of companies who were responsible for such outrageously bad behaviour. The growing unease with Qantas was exacerbated by news of a 71% increase in the base salary of the (then) CEO Alan Joyce, and a grant of 1.7 million Qantas shares as part of a long-term incentive plan (London, 2023).

Visa & Mastercard
During a Senate committee hearing in Washington in November 2024, US Sen. Josh Hawley was incredulous that the two companies that control *80% of the credit card market* in the United States were testifying that they cannot possibly have any more competition. In contrast, he accused *Visa* and *Mastercard* of operating a monopoly on credit cards. He grilled executives from both credit card companies, accusing them of levying exorbitant user fees (also called swipe fees) onto small business owners that accept Visa and Mastercard ,whilst giant retailers like *Walmart* were getting breaks on user fees because of high volumes (see the Video on YouTube).

The CEOs of the two companies admitted that they have a business model that makes over 50% profit margin. He said that the only reason all of these businesses are not running away from this model is because they do not have a choice, because these two companies control so much of the market. Sen. Hawley wants Congress to pass legislation that would cap interest rates on credit card fees (Griffin, 2024).

Reason 3: Exploiting Workers

Many companies are exploiting workers while making their jobs become more difficult. Many flight attendants in the USA have not had a pay raise in years, and a lot of their hardest work is unpaid because most flight attendants do not get paid during the boarding process, i.e. they' are ‘off the clock’ until after the plane's doors closed – and if the flight is delayed, those are often extra hours for no extra money. Again, this mirrors trends in the overall economy, where too many workers are pushed into unpaid overtime or made to work or be on call during their off hours. Often the workers, even when backed by a union, do not complain for the fear of losing their jobs.

Here are three examples of exploitative bad behaviour being caught out:

Qantas
"We sincerely apologise". Three humiliating words from Qantas that underscore the enormity of the High Court loss which has handed the *Transport Workers Union* an unlikely, but hard-fought, victory in September 2023, after more than a decade of industrial warfare. The loss of face for Qantas in accepting a ruling that it acted unlawfully by outsourcing almost 1,700 staff further erodes a corporate reputation already in tatters and perhaps beyond repair (Ryan, 2023).

The TWU claims against Qantas are not anything new. A *Transport Workers’ Union of Australia report* in 2015 alleged that the airline sacked 5,000 full-time employees only to replace them with 9,000 part-time workers. These actions did not help the reputation of Qantas through Covid 19. It was further damaged by the announcement in early 2023 of profits of A$1.7bn for the second half of 2022, after experiencing losses due to the pandemic. (London, 2023). The High Court loss and a ruling that it effectively dispensed with long-serving ground staff to counter future industrial action puts Qantas's social licence in jeopardy — and fuels perceptions that the licence has already been lost.

Woolworths (AI surveillance)
In October 2024, there were fears from staff in Woolworths warehouses about an efficiency crackdown described as “disciplinary and coercive” by the union, including that workers were to be

tracked with new *AI-surveillance* era of work, and pushed to comply with unrealistic and risky standards. On 21 November 2024, about 1,500 warehouse staff in NSW and Victoria went on strike over pay and workplace conditions, leading to bare shelves in many of the company's east coast supermarkets.

On December 7, an agreement was reached with workers where a new clause will be added to workplace agreements *"that ensures that the workers will not be disciplined for the speed that they can work at, and an acknowledgment that not everybody can pick at 100%".*
Workers voted to accept the company's offer, which included "above-inflation increases across all sites", the United Workers Union (UWU) said in a statement. UWU said it also secured an agreement that workers could not be automatically punished for failing to meet timed performance metrics (Bogle, 2024).

University of Melbourne
Part-time university staff are notorious for being exploited. Not getting paid for overtime (unpaid time), doing extra work for no extra pay when marking papers, undertaking student consultations etc. is often grudgingly accepted.

All this might hopefully change. As part of an agreement with *the Fair Work Ombudsman* in Australia, *The University of Melbourne* recently accepted that it was unlawful for many years to require its 15,000 casual workers and academics to adhere to 'benchmarks' which were inadequate and resulted in some employees not being paid for all hours worked. As a result, The University of Melbourne will repay a total of $72 million — which included underpayments, superannuation, and interest — to more than 25,000 underpaid staff after a decade of "unlawful" conduct. The underpayments affect casual academic and professional staff across all faculties and campuses at the university. Most were less than $5,000 per staff member, while six employees were underpaid more than $100,000.

The university has apologised to staff and has signed an agreement to ensure ongoing compliance with federal workplace laws. The university has also promised to make a $600,000 "contrition" payment and to implement measures preventing future non-compliance with workplace laws (Chwasta,2024).

Reason 4: The Illusion of Scarcity

Globally, under the pretext of global political tensions, or inflationary pressures, or supply-chain pressures, or climate change, or natural disasters or seasonal issues, etc., companies are telling consumers that they have no choice but to raise-prices, cut services, and reduce their payroll costs (i.e. reduce headcount). However, simultaneously, they are significantly increasing profits.

However, the 'scarcity' is often an illusion. Here are some examples:

Airlines
In the last five years before the pandemic, the top five airlines in the USA were flush enough to pay shareholders $45 billion, largely through stock buybacks. During the pandemic, they got a $54 billion bailout from the US taxpayers. In the years since, they have resumed flying, with nearly $10 billion in net profit expected in 2024.

In Australia, airlines have been increasing air fares despite the price of jet fuel falling. Prices dropped to US$137 a barrel in May 2023, down from the high of $US259 in June 2022, after the invasion of Ukraine when airlines cited the high cost of fuel to justify record ticket prices. However, despite cheaper jet fuel, and airport charges increasing by just 3% between 2019 and 2022, Australian domestic air fares were still high. (Barrett and Visontay, 2023).

The net-effect of this increase in airfares can be seen by analysing Qantas' domestic earnings before interest and taxes (EBIT) – an indication of profitability of operations . It shows a remarkable story of *price gouging*. Qantas delivered record $2.47bn profit in 2022-23 on back of soaring demand and high-ticket prices post Covid-19, a stark change from a year earlier, when it fell to a $1.86bn loss. The profit margins are now about 50%. Typical profit margins for domestic aviation operators in Australia pre-Covid-19, were between 8 and 10% (Visontay, 2023).
Thus, airlines can well afford to take care of and customers and workers, even in these times of so-called 'scarcity'.

Supermarkets
Supermarkets say they have to increase prices due to a number of factors, including supply chain costs such as rising shipping costs, higher energy prices, and increased costs for fertilizers. They also blame inflation, and that inflation affects all businesses along their supply chain. However, despite these dire warnings, the supermarkets are making 'super' profits.

Coles
In 2024, Australian supermarket Coles, posted a surge in revenue from its groceries business and expanded supermarket profit margins to the highest level recorded in the pandemic era, even as shoppers grappled with fast-rising household costs. The revenue bump underpinned a robust rise in annual profit to $1.1bn. This was significantly higher than margins generated by its overseas peers, including in the UK. This result drew Australia's second largest chain back into the public limelight as cost-of-living pressures have become a central political issue for the next federal election. The Greens political party Senator Nick McKim who chaired the Senate committee into supermarket pricing practices earlier in the year claimed that Coles' profits were a "sick joke" for Australians struggling to afford groceries. *"They are price-gouging as food prices continue to drive Australia's stubbornly high inflation numbers. This is corporate greed at its ugliest,"* he said.

Facebook
An example of making massive profits whilst simultaneously reducing headcount is the bad behaviour of Facebook. The *Meta*-owned company, which trades as *Facebook Australia*, made $1.34 billion from advertisers during the year, almost $100 million more than in 2022 despite a market-wide downturn. It's local profits in Australia rose by 36 per cent in the 2023 calendar year, as the social media giant simultaneously *reduced its headcount* and increased the amount of money it funnelled offshore, according to new filings with the Australian corporate regulator. Global revenue was reported at $US36.5 billion, which Zuckerberg attributed to the company's AI efforts and "healthy growth across our apps" (Jaspan, 2024).

Clearly, whether it is multi-millionaire movie moguls pretending they cannot afford to pay writers or grocery chains blaming inflation for high prices while raking in record profits, this illusion of 'scarcity' is a sham.

Reason 5: Conflicting Corporate Objectives

There are many examples of conflict in corporate objectives: employees vs. owners; cost vs. quality; profit vs. social responsibility; corporate benefits vs. individual gains; short-term earnings vs. long-term investments; etc. Often these boil down to shareholders and managements' view of the importance of short-term share price dominance, over customers, employees, the environment and society. Some recent examples of bad behaviour due to conflicting corporate objectives are given below.

Banking (Upselling)

The *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia*, found that consumer lending — which forms the majority of the banks' business — was undertaken by all banks in the "pursuit of profit" rather than in looking after the interests of their customers. Further, all the major banks, and probably most smaller lenders, were found to have been routinely *breaching responsible lending laws* when they approve home loans and car loans, and also credit cards. The Royal Commission also found that hundreds of millions of dollars were charged in *'fees for no service'* in the financial advice industry, and also bank fees were charged to dead people. Greed was the root cause of bad behaviour in the financial advice industry, in which a 'conversation' with a customer was treated as an opportunity to upsell the limited products and services that the entity has available to sell and, for that purpose, to gather some necessary information about the customer (Ratnatunga, 2018).

Mazda (Misleading Representations)

The Australian Federal Court ordered *Mazda Australia Pty Ltd,* in March 2023,to pay $11.5 million in penalties for engaging in misleading and deceptive conduct and making false or misleading representations to nine consumers about their consumer guarantee rights. Mazda ignored or rejected requests by nine consumers for a refund or a replacement vehicle. It told them that the only remedy available was a repair, even though their vehicles had already undergone multiple unsuccessful repair attempts, including complete engine replacements. One vehicle had three engine replacements. Ultimately, Mazda offered to refund only a portion of the vehicle's purchase price or offered a replacement vehicle only if the consumer made a significant payment, after multiple failed repair attempts. The Court found that all of the consumers were given the 'run-around' by Mazda while it engaged in evasions and subterfuges, provided appalling customer service and failed to make any genuine attempt to consider and apply the consumer guarantee provisions of the Australian Consumer Law.

Fitbit (Warranties)

In December 2023, the Australian Federal Court ordered US-based *Fitbit LLC* to pay penalties of $11 million after it admitted making false, misleading or deceptive representations to 58 consumers about their consumer guarantee rights to a refund or a replacement after they claimed their device was faulty. Specifically, Fitbit admitted that its customer service staff told 40 consumers (between about November 2020 and February 2022) that they did not have a right to a replacement product because Fitbit's two-year 'warranty period' had expired. Of those 40 consumers, 39 had contacted Fitbit about a problem with a replacement product, and Fitbit represented that the warranty period was that of the original device, which had expired. The Court agreed with ACCC that all products sold to consumers come with a guarantee that goods are of acceptable quality, and retailers must provide a remedy for faulty goods if this guarantee has not been met, which includes repair, replacement or refund, depending on the circumstances.

McKinsey (Carbon Emissions)

In 2021, due to conflicting objectives, there was a revolt inside the world's most influential consulting firm, McKinsey & Company, over its support of the planet's biggest polluters. More than 1,100 employees signed an open letter to the firm's top partners, urging them to disclose how much carbon their clients spew into the atmosphere. The letter said that the 'climate crisis is the defining issue of our generation', and our positive impact in other realms will mean nothing if we do not act— as our clients keep altering the earth irrevocably (Forsythe and Bogdanich, 2021).

GLAD & MOO (Greenwashing)

Consumers are increasingly considering the environmental impact of a product when making purchasing decisions, and marketers know it. But exactly how environmentally friendly are the goods consumers are buying? And how true are the big "green" claims advertisers are making in online ads? Consequently, the ACCC launched the legal action in April 2025 against *Clorox Australia*, alleging it had breached consumer law over "ocean plastic" claims on *GLAD* kitchen tidy and garbage bags. While the product claimed the bags were made from 50% recycled plastic taken from the ocean, the watchdog alleges it was instead taken from communities in Indonesia up to 50km away from the shoreline. The watchdog said the use of blue colours on the garbage bags and wave imagery on the packaging had created the impression the bags came from waste reclaimed from the ocean when it was not the case (Briggs, 2023).

This action should be viewed within the broader context of current regulatory action in relation to so-called greenwashing claims. For instance, in November 2023, *MOO Premium Foods (MOO)* gave a court-enforceable undertaking after representing that its yoghurt tubs were made from '100% ocean plastic', when in fact they were made from what MOO described as 'reclaimed ocean bound plastic'. ACCC noted that this type of 'ocean bound plastic' was actually abandoned plastic waste that had been collected within 50km of the shoreline in Malaysia, and not directly from the ocean (Pace, 2024).

Reason 6: Flagrantly Breaching the Law

Goldman Sachs

Goldman Sachs has always seen itself as exceptional. Conspiracy theorists have long paid it the backhanded compliment of imagining that it secretly runs the world. However, the company has been criticized for lack of ethical standards, working with dictatorial regimes, close relationships with the U.S. federal government via a "revolving door" of former employees, and driving up prices of commodities through futures speculation. It has a litany of cases accusing it of unethical, and often fraudulent behaviour over many decades (Economist, 2023).

For example, as far back as in 1994, two pension funds for employees of companies controlled by Robert Maxwell filed suits in a New York court seeking to recover money from *Goldman, Sachs & Company*, which handled several transactions for Mr. Maxwell in the months before his death in November 1991.The plaintiffs charged that rather than transferring money for the shares to the trustee for the pension funds, Goldman transferred $94 million to another company controlled by Mr. Maxwell and later that day received from that company a transfer of $94 million plus $188,000 for Goldman's commission. The pension funds, the complaints charged, never received any payments for the shares (Quint, 1994). Almost two decades later, Goldman Sachs got ensnared in the ***1mdb scandal*** in which officials in Malaysia and Abu Dhabi received $1.6bn of bribes in 2009-14. A Goldman subsidiary pleaded guilty to a criminal charge and the firm admitted "institutional failure" (Economist, 2019).

Qantas

Qantas admitted in May 2024, that it misled consumers by advertising tickets for tens of thousands of flights it had already decided to cancel, and by cancelling thousands more flights without promptly telling ticketholders of its decision, after court action by the ACCC. As part of an agreement, the Federal Court imposed a penalty of $100 million on Qantas for breaching the Australian Consumer Law.

Qantas has also agreed in a court-enforceable undertaking to pay about $20 million to more than 86,000 customers who were sold tickets on flights that Qantas had already decided to cancel, or in some cases who were re-accommodated on these flights after their original flights were cancelled. Qantas agreed to pay $225 to domestic ticketholders and $450 to international ticketholders. These payments are on top of any remedies these consumers already received from Qantas, such as alternative flights or refunds.

HSBC

HSBC Bank Australia Limited (HSBC) has paid penalties totalling $33,000 after the ACCC issued it with two infringement notices for alleged contraventions of the *Consumer Data Right (CDR)* rules. The infringement notices related to alleged failures by HSBC to disclose complete mortgage interest rate details and accurate credit card balances in response to separate requests for this data made via the CDR.

The ACCC investigated allegations that HSBC failed to accurately disclose its fixed rate home loan interest rates. Some of the product data HSBC disclosed for its fixed rate home loan products did not include the corresponding featured interest rates advertised on its website. The ACCC also investigated allegations that HSBC failed to accurately disclose credit card account balance data after receiving consumer data requests. ACCC said that if accurate home loan rates are not provided, product data users, such as comparator sites and brokers, are unable to present accurate comparisons of home loan products to consumers; and that this has the potential to lead to consumers making decisions based on incorrect information about home loan interest rates on offer (ACCC, 2024).

Airbnb
The *Australian Federal Court* has ordered Airbnb to pay $15 million in penalties, and offer up to $15 million in compensation to eligible consumers, after the company admitted it misled consumers about the currency of the prices on its accommodation platform. Airbnb admitted making false or misleading representations to Australian users between January 2018 and August 2021 that prices for Australian accommodation were in Australian dollars, when in fact for about 70,000 consumers the prices were in US dollars (ACCC, 2023).

McKinsey
McKinsey & Co is currently under criminal investigation in the United States over allegations that the consulting firm played a key role in fuelling America's opioid epidemic. Federal prosecutors are homing in on the firm's work advising *OxyContin* maker *Purdue Pharma* and other drugmakers. McKinsey and the US Justice Department have declined to comment. The probe is focused on whether McKinsey engaged in a criminal conspiracy when advising Purdue and other pharmaceutical manufacturers on marketing strategies to boost sales of prescription painkillers that led to widespread addiction and fatal overdoses. It was claimed that McKinsey recommended that Purdue "turbocharge" its sales of the drug in the midst of the opioid crisis, which has killed hundreds of thousands of Americans. McKinsey has not admitted any wrongdoing. The Justice Department is also investigating whether McKinsey conspired to commit healthcare fraud when its consulting work for companies selling opioids allegedly resulted in fraudulent claims being made to government programs such as *Medicare* (Spector, et.al., 2024).

Reason 7: Misdirected Rage.

Instead of being mad at the people at the top, consumers have started being mad at each other. On flights, fights have broken out over whether it is okay to recline seats or as to who gets overhead bin space. However, reclining is only an issue because airlines intentionally put the seats too close together and overhead bin space is only running out because airlines have made it expensive to check bags. In supermarkets, fights have broken out over toilet paper and toys. In banks, arguments have broken out as to who was in the queue first to access the only teller available on duty.

Airlines, supermarkets, banks and many other companies are pitting customers against each other, or against the front-line employees the same way that politicians like Donald Trump pitted the US population against each other, hoping the voting populace will blame unions or immigrants or people of other races or religions or gender identities for why it is so hard to get ahead. Such politicians hope that the ordinary populace will not notice how much wealth and power is in the hands of so few in all countries.

Better Consumer Protection Laws

A lot of this bad behaviour could be stopped with tougher antitrust enforcement, which we were starting to see across the world, especially, the USA, Europe and Australia. Another part of the solution is unions. Airline workers are among the wave of American, European and Australian workers organizing to demand better pay and working conditions. It is anybody's guess as to if these movements will continue in the USA under President Trump.

In Australia, the work of the ACCC *is* finally seeing some results. The ACCC was earlier successfully prosecuting a number of miscreant companies, but the maximum fines of $10 million was just too low. Companies were breaking the law or undertaking false advertising knowing that when the revenue generated is multiplied by the probability of getting caught, the net-result was greater than the maximum fine imposed. Today, the fines have been increased to $100 million and this appears to have significantly reduced bad behaviour, but not eliminated it.

Tighter Whistle-Blower Protection Laws

In addition to better consumer protection laws, countries need better '*Whistle-blower protection laws'*. In theory, it in the public interest that the law protects whistleblowers so that they can speak out if they find malpractice in an organisation. Whistleblowers should be protected from victimisation by persons who have power over them, such their boss. However, investigative journalist *Adel Fergusen* (in a speech given at her Hall of Fame induction ceremony) said that many whistle-blowers have been forced out of their chosen career fields, subjected to public smear campaigns, and undergone severe psychological trauma.
Here is an extreme example:

Boeing
Spirit AeroSystems is a company that was spun out of *Boeing* in 2005 and currently faces financial woes and an uncertain future. Joshua Dean, a former quality auditor at Boeing supplier *Spirit* who had flagged safety concerns and alleged misconduct by the aircraft manufacturer, died in May 2024 after a sudden and severe infection. Dean was the second Boeing-linked whistleblower to have died in the space of two months as the company has come under heightened scrutiny. As expected, these two deaths have sparked many conspiracy theories on social media.

According to a shareholder lawsuit that accused Spirit of concealing its production issues, Dean, worked at Spirit since 2019. He was briefly laid off during the pandemic before returning in 2021. He first raised concerns about improperly drilled bulkhead holes on some 737 Max planes at Spirit's plant in Wichita in October 2022. The complaint alleged that although Dean had reported the problem to several managers, , the company hid it from investors for months until it became public knowledge in August 2023, when Boeing and Spirit announced a delay in plane deliveries due to the defect. According to testimonies from employees at Spirit, including Dean, workers had been instructed or pressured by supervisors to downplay the defects they found (Ewe, 2024).

Transparent Financial Reporting

Audited financial reports are important because they supposedly provide assurance that a company's financial statements are accurate and present a *"true and fair"* view of the company's financial position. This supposedly then allows stakeholders to make informed decisions about the company, such as investing in it, lending to it, or contracting with it.
However, the auditors of the large companies 'outed' in this article with flagrant examples of 'bad behaviour' were most likely audited by a Big-4 accounting firm; and the scandals involving the Big-4 are too numerous to cover in this article (see full list in Ratnatunga, 2021).
Here are some examples of 'bad behaviour' by the audit firms in more recent times:

PwC
PwC came under the spotlight after China launched one of the biggest investigations of financial fraud in history involving developer *Evergrande*. It imposed a record fine on PwC and suspended some of the global auditor's local operations over its role in one of the nation's biggest alleged financial fraud cases, according to sources familiar with the matter. The fine of at least one billion yuan (S$187 million) would exceed the previous record fine for an accounting firm, the 212 million yuan handed out to *Deloitte Touche Tohmatsu* in 2023 (Business Times, 2024).

Deloitte
The *US Securities and Exchange Commission* announced that Big-4 accounting firm *Deloitte's China* affiliate had agreed to pay $20 million to settle charges that it has asked clients to select their own samples for examination, and to prepare audit documentation purporting to show that Deloitte China had done the necessary work to verify financial statements. The regulator found nine instances where Deloitte-China failed to properly audit the Chinese operations of U.S. companies and three instances related to Chinese firms listed on U.S. exchanges (Matthews, 2022).

Despite all these scandals, none of the CPA or Chartered Accounting (CA) professional bodies — in any of the countries that have had major scandals — have disciplined their Big-4 members (or the chartered accounting partners within these firms) for professional misconduct. This is because globally, CPA and CA professional bodies that are responsible for enforcing the professional standards of its members, receive major funding from Big-4 audit firms – and almost always have Big-4 partners on their boards. The Big-4 are also major sponsors of the *IFRS Foundation* and the *International Accounting Standards Board* (IASB) that issues *International Financial Reporting Standards (IFRS)* — according to which 'true and fair' opinions are given. The whole process is totally incestuous.

Summary: The Power of the Informed Consumer

Companies get away with bad behaviour when consumers and employees accept their excuses that there is just no other way to run a business. Such companies are counting on the general public to not care what is really going on. However, there is much power in being an *informed consumer*. Therefore, one should go to social media sites, go to company AGMs, go to local members of their constituency, go to the media, and share stories and voice concerns.
And finally, try to be a little nicer to service workers and your fellow passengers on planes and in life. After all, we are all on this journey together.

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