



● Wayne Ormond's first challenge as a business owner could not have been more formidable. Only months after his mortgage broking company Refund Home Loans opened for business in 2003, Ormond took on the might of Australia and New Zealand Banking Group, Westpac Banking Corporation and St George Bank – and lived to tell the tale.

Ormond's business model has the company sharing the commission it receives from a bank for writing a loan with the customer taking out the loan. As its name suggests, his company refunds half the amount of the commission after the loan is established.

The banks were unimpressed with the arrangement and tried to stop Refund from giving part of its commission to its clients. A battle ensued and the Australian Competition and Consumer Commission subsequently initiated Federal Court proceedings against ANZ, alleging it was trying to limit the amount Refund could offer its customers.

Ormond will not discuss details about the case (the matter is still outstanding) but admits the blaze of publicity at the time, pitching Ormond as David against the banking Goliaths, helped establish his fledgling business. "We probably would not have grown as much as we have without that," he says. "The banks probably thought we were bigger than we were. I was worried but at the same time I knew we had done nothing wrong. So I saw it as an opportunity and went on the attack."

He has not looked back since. Refund has appeared on the *BRW Fast 100* and

This home loans entrepreneur positions his franchise as a better alternative to doing business with big banks. Report: John Stensholt

CLEVER BY HALF

WAYNE ORMOND

AGE	36
BORN	Brisbane
LIVES	Brisbane
WEALTH	\$25 million
SOURCE OF WEALTH	Refund Home Loans
SECRETS OF SUCCESS	A strong focus on customer service and taking advantage of being an underdog battling the big banks
INTERESTS	Work, prestige cars

Fast Franchises lists (ranked number one this year as fastest-growing franchise by revenue). Annual revenue reached \$15.5 million in 2008-09, compared with \$10.5 million the previous year. Ormond's 65 per cent stake in Refund is worth \$25 million, warranting his debut on the *BRW Young Rich* list.

Refund's growth is impressive, particularly as the mortgage broking industry is struggling after more than a decade of impressive growth. Ormond says his company has carved out its own niche and is thriving because of its heavy focus on customer service. "They don't want to get treated like they do at banks and other mortgage brokers are starting to work like banks. People want a bit of independence."

Ormond unashamedly pitches himself as an underdog and a friend of the people. He wants to fill the vacuum created by John Symond's sale of a third of the Aussie Home Loans business to Commonwealth Bank of Australia earlier this year, which critics say has compromised Symond's independence.

Customers welcome receiving a cheque for half the commission and do not see it as a cynical publicity stunt, Ormond says. It was an idea that came about when he was looking for a point of difference. "I thought that surely people would like to pay less. Banks set the commissions so I did the numbers and found I could get away with refunding half the commission as long as we did not have shopfronts."

Instead, Refund franchisees – Ormond says he could make more money having permanent staff but believes they would not have the same loyalty as franchisees – visit customers at their homes or neutral locations, at a time convenient to clients. Ormond has added 40 franchisees in the past four months for a total of almost 300.

An offer from a financial institution to buy Refund this year was knocked back by Ormond. "We've been doing this for six years," he says. "If you look at Aussie or Wizard, they were around for a decade longer than I have been. Well, give me 10 years and see what I can do then."

He intends to extend his refund model to other commission-based industries. Refund has begun offering financial planning services (it has 40 accredited franchisees) and next year Ormond, a former real estate agent and bank employee, plans to target the real estate market. "Look at the last four or five years, when property prices have virtually doubled. That means real estate agents' commissions have doubled in that time as well, but are they doing twice the work? I think they're actually doing even less work than before. So I think there is a lot of fat there." **BRW**