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Lighthouse Beach Resort (left of picture), Bunbury

The former director of the Lighthouse Beach Resort claims Bankwest and the resort's receivers Taylor Woodings cost him more than \$10 million.

Sean Butler spoke last month at the Federal Senate inquiry into the postGFC banking sector.

The Perth-based former hotelier faced financial ruin when he walked away from two properties in which he had half shares — the Lighthouse Beach Resort and the National Hotel in Fremantle.

Mr Butler claimed the Lighthouse was making "profits at record levels" and was paying all the interest on loans when Bankwest last year called in all debts and sacked him from the business.

Mr Butler said Bankwest had profited by putting his business into receivership by artificially devaluing the property before doubling, then quadrupling his interest rates.

In June last year the bank issued Mr Butler with a deed of forbearance and appointed receiver-managers Taylor Woodings.

"They stopped paying me, did not acknowledge that my wife and I had been with the business for 20 years and were employees," Mr Butler told the inquiry.

"I was in an impossible situation — no money, no job, told to shut up and keep secret, could not get social security because of assets, had a wife and four family members to support."

Mr Butler said Taylor Woodings charged him more than \$1 million for about 10 months of work.

"They told me not to ask questions as doing so adds to the cost of receivership," he said.

"Our staff were in tears. They were scared.

"These are licensed thieves hijacking a good-cash-flow business."