



ASIC
Australian Securities &
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and Investments Commission**

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By email only

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Dear CEO

**Internal Dispute Resolution (IDR) in Superannuation:
Transition from RG 165 to RG 271 from 5 October 2021**

In July 2020, after extensive consumer and industry consultation, ASIC published *Regulatory Guide 271 - Internal dispute resolution (RG 271)*. RG 271 takes effect from **5 October 2021** and establishes new standards and requirements for superannuation trustees to meet when handling consumer complaints.

Importance of your engagement with new IDR requirements

This letter is a reminder that the time to act on the new IDR requirements is now. There is potentially a significant amount of work to do to ensure that your IDR operates to the level required by RG 271.

While the long lead-time provided before RG 271 takes effect is designed to set you up for success, you must get it right by 5 October 2021. Key parts of the standards and requirements in RG271 will be enforceable by ASIC and penalty provisions can apply.

We expect Trustee Board level accountability and governance across your IDR regime/s. The changes require high-level engagement and commitment and if this has not occurred within your trustee, this should be addressed with urgency.

We emphasise the importance of treating IDR as a core part of the way a fund operates, and of focusing on members and systemic issues at all stages in the IDR process. IDR is an integral part of the consumer protection framework and every consumer is entitled to have an expectation that their complaint will be heard and that they will be treated well and fairly, within a reasonable timeframe.

How superannuation trustees treat complainants, and learn from complaints, is a concrete marker for whether there is a culture of truly focusing on member's interests. It can also provide insight into the maturity of a trustee's approach to risk.

As the trustee CEO, we want you to lead this implementation from the top; support the investment in time and resources to get it right and spread a strong cultural message reflecting a consumer-centric approach to your IDR program.

ASIC is seeking to assist the superannuation industry in its transition to the new IDR requirements outlined in RG 271. Recent communications outlining our expectations and potential challenges for superannuation trustees can be read [here](#).

Next steps

We are also undertaking preparedness checks with trustees in the coming months. These seek to promote engagement with the changes and assess individual funds and industry's overall readiness to meet the 5 October 2021 start date. We intend to share resulting high-level observations with industry.

To commence this work we are conducting a short survey (accessed here [ASIC IDR in Super Survey](#)) that should take no longer than 5 to 10 minutes to complete. We would appreciate your co-operation in arranging for this to be completed as soon as possible (but no later than 7 May 2021).

ASIC is committed to improving IDR practices and procedures across the superannuation industry and we look forward to seeing the benefits of your fund's engagement with IDR making a difference for consumers.

Yours sincerely

Danielle Press
ASIC Commissioner