



**ASIC**

Australian Securities & Investments Commission

**REPORT 28**

# **Eligible rollover fund disclosure campaign**

January 2004

# What this report is about

- 1 The aim of this report is to:
  - (a) outline the disclosure practices of the trustees of both eligible rollover funds (ERFs) and funds that pay benefits to ERFs (feeder funds) in the context of the transitional superannuation disclosure requirements;<sup>1</sup> and
  - (b) facilitate improved disclosure to members by ERFs and feeder funds (through a range of recommendations and initiatives) so that members have a clearer and more comprehensive understanding of:
    - (i) the operation of the ERF to which they belong; and
    - (ii) the circumstances in which their benefits can be transferred to an ERF and the effect of such a transfer.

## Acknowledgments

- 2 We acknowledge the information provided by the Australian Prudential Regulation Authority (APRA) and the Australian Taxation Office (ATO), which assisted us in our campaign.

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<sup>1</sup> See Section 3 for an explanation of the transitional superannuation disclosure requirements.

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# Section 1: Executive summary

## The campaign

1.1 Eligible rollover funds (ERFs) play an important role in the superannuation industry, as they are recipients of superannuation benefits that are “unwanted” by other superannuation funds (e.g. benefits belonging to “lost” members, small account holders or others who are disengaged from their superannuation benefit). As a consumer protection regulator, ASIC considers it important to look at disclosures that potentially affect this group of consumers.

1.2 We therefore undertook a campaign to look at disclosure by the trustees of 16 ERFs. We also looked at the disclosure given by trustees that transfer benefits to ERFs (“feeder funds”) about the basis for, and implications of, being transferred to an ERF. We looked at 15 feeder funds.

1.3 The key objectives of the campaign were to:

- (a) better understand disclosure to members about ERF benefits;
- (b) ensure that members of ERFs are receiving adequate disclosure from ERF trustees (ERFs hold a significant amount of money for members who are locatable, and, therefore, are entitled to receive disclosures from the trustee); and
- (c) ensure that members of feeder funds are receiving adequate disclosure about the circumstances in which their benefits can be transferred to an ERF, and the implications of such a transfer (trustees of superannuation funds have a very broad power to transfer members to an ERF without their consent).

1.4 The “adequacy” of disclosure was assessed in two ways:

- (a) **Content:** Did the disclosure by ERFs and feeder funds comply with the legislative requirements?
- (b) **Delivery:** Was the disclosure by ERFs given to every member who was entitled to it?

1.5 We made our assessment of the adequacy of disclosure by reviewing information and documents provided by the trustee of each fund that participated in the campaign. We also visited each of the ERFs to discuss the processes by which trustees ensure that disclosure is given to members, including how they identify those members for whom

disclosure is *not* required (“unlocatable members”).<sup>2</sup> Generally, this review covered information, documents and processes for the 2001–02 reporting period and any subsequent period preceding our request for information and documents.

## The legislative requirements

1.6 None of the ERFs reviewed during our campaign had opted into the disclosure regime under the *Financial Services Reform Act 2001* (“FSR Act”). Only one feeder fund had opted into the FSR Act disclosure regime. Therefore, most of our assessment of the adequacy of disclosure was against transitional superannuation disclosure requirements.<sup>3</sup> These transitional requirements are made up of disclosure requirements under the *Superannuation Industry (Supervision) Act 1993* (“SIS Act”) and *Superannuation Industry (Supervision) Regulations* (“SIS Regulations”),<sup>4</sup> including the requirement for clear and effective disclosure.<sup>5</sup> We also considered the fund information requirements under s1017D of the *Corporations Act 2001* (“Corporations Act”) and consumer protection provisions contained in the *Australian Securities and Investments Commission Act 2001* (“ASIC Act”), which took effect from 11 March 2004.

1.7 Except for requirements relating to the disclosure of fees and charges, many of the transitional superannuation disclosure requirements are carried over to the Corporations Act from 11 March 2004. The Corporations Act contains more stringent requirements for the disclosure of fees and charges than the transitional superannuation disclosure requirements.

## The results

1.8 The campaign identified three key findings on ERFs:

1. Disclosure to members about fees and the operation of member protection rules was often inadequate and sometimes potentially misleading (e.g. fees deducted from the assets or earnings of the fund were poorly disclosed). We are currently taking further action, under the ASIC Act, against one ERF for misleading disclosure about fees.

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<sup>2</sup> Regulation 2.05 of the Superannuation Industry (Supervision) Regulations outlines members to whom the trustees are not required to give information because they cannot be located.

<sup>3</sup> See paragraph 3.8 for a more detailed outline about the transitional superannuation disclosure requirements.

<sup>4</sup> All references to the SIS Regulations in this report are references to the SIS Regulations as revived under s1440 and 1444 of the Corporations Act

<sup>5</sup> Regulation 2.03(2)(b).

2. Most ERFs were not making reasonable efforts to locate members before treating them as “unlocatable”. This means locatable members may not have received information they should have been receiving. We are currently taking further action, under the SIS Act, against one ERF for its failure to provide any disclosure to locatable members.
3. One ERF did not provide adequate disclosure to members to enable them to give informed consent to the use of their personal details to conduct searches of lost superannuation money.

1.9 We also observed that, generally, ERFs were not providing reduced member information to small account holders (i.e. they are not utilising SIS Regulation 2.26A).

1.10 With the exception of two ERFs whose findings are currently the subject of further action, most other ERF issues were dealt with by working with the ERFs to improve their disclosure practices. The ERFs were, generally, cooperative in attempting to address our findings, including:

- (a) producing improved disclosure documentation for the 2002–03 reporting period; and
- (b) reviewing or developing compliance procedures to ensure that future disclosures are given to locatable members (and only withheld from unlocatable members).

1.11 These improvements have been expressed as conclusions in the body of this report for the superannuation industry, at large, to consider in meeting the transitional superannuation disclosure requirements that have been carried over to the Corporations Act (applicable to all superannuation funds from 11 March 2004). However, our conclusions about improving the disclosure of fees should be considered in light of the more stringent disclosure requirements relating to fees contained in the Corporations Act.

1.12 The campaign also resulted in four key findings on feeder funds. Our conclusions in relation to these findings are published in this report for consideration by the feeder funds that participated in the campaign (as well as feeder funds generally). Our key findings on feeder funds were:

1. Disclosure about the *circumstances* in which benefits will be paid to an ERF was often non-specific and unhelpful to members. This is a concern because it would not always be apparent to members when their benefits can be transferred to an ERF.
2. Disclosure about the *effect* of a transfer of a benefit to an ERF was often minimal, oversimplified and lacking in detail. This is a concern

because the diversity in ERF arrangements means the effect of a transfer will not always be the same.

3. Disclosure by feeder funds about changes to their nominated ERF was not always timely, prominent or explained to members. This may lead to members not knowing to which ERF their benefit has been transferred from the feeder fund.
4. Contact details for the nominated ERF were sometimes incomplete, again making it difficult for members to track their benefit after being transferred to an ERF.

1.13 We are currently considering further action against one feeder fund for non-compliance with their disclosure requirements under the SIS Act.

1.14 The next section of this report, Section 2, provides some background to our ERF disclosure campaign, while Section 3 describes the campaign's objectives and coverage. Sections 4 and 5 describe in detail our findings about disclosure for both ERFs and feeder funds, together with our conclusions. The final section, Section 6, highlights some further initiatives aimed at supporting the role of disclosure to members and improving consumer understanding of ERFs.

## Section 2: Background

### What is an ERF?

2.1 ERFs are public offer superannuation funds that receive transferring members (and their benefits) from other superannuation funds or Retirement Savings Accounts (RSAs). ERFs are regulated in the same way as other public offer funds (which includes having an approved trustee), but are subject to some additional requirements in Part 10 of the SIS Regulations. This means, for example, that they are subject to the same investment rules as other superannuation funds.

2.2 For a fund to be an ERF, the trustee must:

- nominate to APRA for the fund<sup>6</sup> to be an ERF;
- be an approved trustee; and
- treat every member of the fund as a “protected member” at all times and the whole of the benefits of every member as “minimum benefits”.<sup>7</sup>

2.3 ERFs must accept amounts from other superannuation funds (feeder funds), shortfall components and amounts paid from the Superannuation Holding Accounts Reserve.<sup>8</sup> ERFs can (but are not required to) accept ordinary contributions (e.g. from the member) and provide insurance benefits.

### When can benefits be transferred to an ERF?

2.4 Trustees of superannuation funds have a broad power to transfer a member’s benefits to an ERF under Part 24 of the SIS Act. This legislative power overrides anything contained in the governing rules of a particular fund.<sup>9</sup> It is up to the trustee to determine which (if any) members’ benefits may be transferred to an ERF. APRA is interested in how trustees of feeder funds satisfy their fiduciary obligations<sup>10</sup> in the

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<sup>6</sup> It is APRA’s view that an ERF must be a stand-alone superannuation fund (i.e. it cannot be a subplan of a superannuation fund).

<sup>7</sup> See SIS Regulation 10.01.

<sup>8</sup> See SIS Regulation 10.06.

<sup>9</sup> See s243(6) of the SIS Act, which permits payment of benefits to an ERF and “has effect despite anything in the governing rules of the transferor fund”. Under s10(1) of the Act, the governing rules mean any rules in the trust instrument, other document or legislation, or combination of these things, and any unwritten rules, which govern the establishment or operation of a fund, scheme or trust. This means that the power overrides any trust deed provisions, internal fund policies or trustee resolutions that prescribe the circumstances in which benefits can be paid to an ERF.

<sup>10</sup> Refer to s53 of the SIS Act.



selection of ERFs, having regard to both the circumstances of and the effect on a member's benefits upon transfer to the selected ERF. At the time of publication of this report, APRA has indicated that it will be issuing a revised circular on member protection that will include further information about trustee obligations associated with selection of an ERF.

2.5 A trustee can (but is not required to) give the member a choice of having their benefit paid elsewhere before transferring the benefit to an ERF,<sup>11</sup> as the trustee's powers permit the transfer of benefits to an ERF without the prior consent of the member.

2.6 The circumstances in which a trustee of a feeder fund may transfer benefits into an ERF have increased over recent years and include where a person:

- becomes a "lost" member;
- holds a small account balance;<sup>12</sup>
- does not nominate where they want their superannuation benefit transferred to within a specified timeframe;
- is a non-member spouse, in circumstances connected with the division of superannuation following marriage breakdown;<sup>13</sup> and
- has nominated, in circumstances connected with a defective product disclosure statement (PDS) or "cooling-off", a superannuation entity or RSA to receive their superannuation money but the superannuation entity or RSA does not accept the money.<sup>14</sup>

### **"Lost members"**

2.7 A member can technically be considered "lost" by a fund trustee if:<sup>15</sup>

- (a) the fund has never had an address for the member;
- (b) two written communications from the fund have been returned unclaimed, or, at the discretion of the trustee, one written communication has been returned unclaimed; or

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<sup>11</sup> See SIS Regulation 2.36A, which prescribes disclosure requirements for situations in which a choice is given to the member.

<sup>12</sup> Members with account balances of less than \$1000 are usually regarded as small account holders. See the definition of "protected member" in SIS Regulation 1.03(1).

<sup>13</sup> See, for example, SIS Regulations 7A.03G and 7A.03H.

<sup>14</sup> See Corporations Regulations 7.9.14, 7.9.66(6), 7.9.68(9) and 7.9.68A(9).

<sup>15</sup> See SIS Regulation 1.03A. A member can be permanently excluded from being a lost member in certain circumstances prescribed in SIS Regulation 1.03A(2).

- (c) a fund set up to receive employer contributions has not received a contribution or rollover for the member for two years.

2.8 Circumstances in which a member may become lost include where the member:

- changes jobs (i.e. they leave the employer who contributed to the fund);
- moves into another industry (i.e. an industry not covered by the fund);
- changes address and fails to notify the change to the fund;
- leaves the workforce for some period; and
- is generally disinterested in or does not understand their superannuation (e.g. lacks financial literacy).

2.9 Generally, where a transfer is made to an ERF, the amount paid in respect of the member by the trustee of the feeder fund to the trustee of the ERF<sup>16</sup> is equivalent to the amount that would be payable to the member if the member voluntarily ceased to be a member of the fund (i.e. the withdrawal benefit). This is in contrast to successor fund transfers that, like payments to ERFs, do not involve member consent but, unlike payments to ERFs, do involve “equivalent” rights being secured in the receiving fund.<sup>17</sup> The withdrawal benefit paid to the ERF can be less than the amount notionally held in the feeder fund for the member, especially where exit penalties are taken out. Also, add-on benefits (e.g. insurance) are not retained.

## **What are the member protection rules?**

2.10 The member protection rules<sup>18</sup> are designed to protect member benefits from erosion by administration charges. Subject to a number of exceptions,<sup>19</sup> all ERF members (regardless of the size of their benefit) have the benefit of the member protection rules. The member protection rules are administered by APRA. Trustee processes relating to compliance with the member protection rules are APRA’s responsibility.

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<sup>16</sup> As prescribed in SIS Regulation 10.03.

<sup>17</sup> See definition of “successor fund” in SIS Regulation 1.03.

<sup>18</sup> These rules are in Part 5 of the SIS Regulations and are administered by APRA: s6 of the SIS Act.

<sup>19</sup> Certain unitised funds (SIS Regulation 5.14(2)), non-unitised funds that deduct all administrations costs of the fund in direct proportion to the investment return allocated against member accounts (SIS Regulation 5.14(3)) and life policy funds (SIS Regulation 5.15D) are exempt.

APRA has released a circular about member protection (which is currently being revised).<sup>20</sup>

2.11 The member protection rules do not protect a member's benefit from erosion against *all* fees and charges, but only against administration costs that are charged against a member's benefits (including contributions by or in respect of the member). This protection does not extend to taxation and insurance costs.

2.12 The member protection also does not extend to administration costs levied against the assets of a fund as a whole. These costs are not levied against member benefits, but are applied before the earnings of the fund are allocated to the member.

## **The ERF industry**

2.13 We identified 16 ERFs in the marketplace for participation in the campaign from publicly available information (including the list of ERFs on APRA's website) and our own efforts (e.g. internet searches). We became aware near the completion of our campaign that there are other ERFs in the marketplace that are not recorded as ERFs on publicly available information. A difficulty in identifying the ERFs is that some ERFs are not stand-alone superannuation funds and operate as subplans of a larger fund (usually a public offer superannuation fund). Two of the ERFs reviewed during our campaign appeared to be subplans of other superannuation funds and, as such, have been the subject of further prudential regulatory consideration by APRA.

2.14 The ERFs reviewed during our campaign were: AMP ERF, AON ERF, Australia First ERF, Australian ERF, Australian Preservation Fund (now AUSfund), Challenger ERF, ISPF ERF, National Preservation Trust, Norwich ERF, NSP Buck ERF (now Mellon ERF), Plan B ERF, Public ERF, Retirement Savings Account, Super ERF, Super Safeguard and Supertrace ERF.

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<sup>20</sup> See APRA Circular I.B.1.

## Section 3: The campaign

### Why did we undertake this campaign?

3.1 ERFs play an important role in the superannuation industry as the recipients of superannuation benefits that are “unwanted” by other superannuation funds. We chose to examine disclosure relating to ERFs because it is a segment of the superannuation industry whose disclosure to members has not previously been examined as a discrete group. Other factors included:

- the change in the nature of ERFs since their creation (e.g. the adoption of more aggressive investment styles by some ERFs);
- the recent negative investment return climate, which has implications for the application of the member protection rules;
- the nature of members who end up in ERFs (i.e. lost members, small account holders and disengaged members); and
- the change in the membership of ERFs since their creation (members now include people who are not lost members or small account holders).

3.2 We also examined a sample of feeder funds to understand what disclosure about ERFs is being made to members *before* being transferred to the ERFs. We wanted to ensure that disclosures are sufficient to alert members to the implications of being transferred to an ERF.

3.3 We wanted to identify any key deficiencies and the scope for improvements in disclosure by trustees of ERFs and feeder funds in the context of the transitional superannuation disclosure requirements. We also wanted to explore the extent to which disclosure can help consumers keep in touch with their superannuation benefits and promote more active participation in their superannuation investments.

### Our objectives

3.4 The key objectives of the campaign were to:

- (a) better understand disclosure to members about ERF benefits;
- (b) ensure that members of ERFs are receiving adequate disclosure from ERF trustees; and
- (c) ensure that members of feeder funds are receiving adequate disclosure about the circumstances in which their benefits can be transferred to an ERF, and the implications of such a transfer.

These disclosure-related objectives were considered in the context of the prevailing disclosure regime at the time the campaign was conducted.

3.5 We saw these objectives as providing an opportunity to help address two problems:

- ***Unclaimed or “lost” superannuation benefits.*** This problem has been the subject of considerable media attention and the focus of various parliamentary committees. There have been increased efforts in recent times by regulators (in particular, the ATO<sup>21</sup>) and industry to help members find their lost money. We have also provided access to consumers, on our website, to a facility for finding lost or unclaimed superannuation money.
- ***“Disengaged” superannuation fund members.*** These are superannuation fund members who, through inertia, disinterest or lack of ability, do not understand their superannuation and, therefore, do not actively participate in their superannuation fund or make decisions available to them about their superannuation (e.g. members who have failed to notify a change of address or failed to respond to a trustee’s enquiry as to which fund they would like their superannuation benefit transferred).

## **Our approach**

3.6 Our approach to achieving the campaign objectives was to:

- review documentation and information provided by funds that participated in the campaign;
- visit each of the ERFs to discuss and consider their processes for delivery of disclosure material to members (including their processes for identifying unlocatable members);
- communicate with each ERF about the specific findings applicable to them and our required or recommended actions for addressing each of the findings;
- publicly report our findings about the disclosure provided by ERFs and feeder funds (taking into account our communications with the ERFs about making improvements to their disclosure practices);
- take enforcement action where appropriate; and
- identify potential consumer education initiatives.

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<sup>21</sup> The ATO has introduced a number of initiatives to help people track down their lost superannuation accounts (e.g. “SuperMatch” and “SuperSeeker”).

## Assessing compliance with the law

3.7 We tested the level of compliance with the disclosure requirements by:

- the trustee of each ERF, in relation to the provision of information to locatable members; and
- trustees of feeder funds generally, in relation to the adequacy and timing of disclosures made to members about the payment of benefits to ERFs.

3.8 At the time of our campaign, all ERFs and feeder funds (other than one feeder fund) were subject to the transitional superannuation disclosure requirements. Therefore we assessed compliance with disclosure requirements under:

- the SIS Act, in particular all the reporting requirements (other than annual fund information requirements) in Part 2, Division 2 of the SIS Regulations; and
- the Corporations Act, as amended by the FSR Act, for annual fund information requirements: s1017DA (the fund information requirements in the Corporations Act are similar to those in the SIS Regulations)<sup>22</sup>.

3.9 We also considered the consumer protection provisions contained in the ASIC Act, in particular provisions prohibiting misleading or deceptive conduct. These provisions apply from 11 March 2002 whether or not the disclosure is produced under the SIS Act or the Corporations Act. For example, s12DA, 12DB and 12DF of the ASIC Act prohibit conduct that is misleading and deceptive, and false or misleading representations about financial products (which includes superannuation products).

3.10 While our assessment largely related to transitional requirements that expire on 10 March 2004, many of these transitional requirements have been carried over to the disclosure requirements under the Corporations Act. However, the Corporations Act does contain some changes to the disclosure requirements under the SIS Act, the most significant of which is the imposition of more stringent requirements for the disclosure of fees and charges (including indirect fees).<sup>23</sup>

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<sup>22</sup> For more information about the transitional disclosure arrangements, see *Licensing and disclosure: Making the transition to the FSR regime - an ASIC guide*.

<sup>23</sup> ASIC has also released a model for improving disclosure of fees in a PDS developed in consultation with industry: see *A model for fee disclosure in product disclosure statements for investment products* at [www.asic.gov.au](http://www.asic.gov.au).

3.11 Notwithstanding this change, we consider that most of our findings and conclusions have continuing relevance to the provision of information by trustees of ERFs and feeder funds from 11 March 2004 (or earlier, if the trustee has opted into the FSR disclosure regime). While our findings and conclusions about the disclosure of fees and member protection may, to some extent, have been superseded by new disclosure requirements relating to fees, we consider that they may assist in meeting the more stringent requirements in the Corporations Act.

### **Disclosure requirements for ERFs**

3.12 Trustees of ERFs are generally required to give information to locatable members of the ERF:

- after they join (within three months of joining);<sup>24</sup>
- annually (both member and fund information, although reduced member information may be given to protected members);<sup>25</sup>
- about significant events or changes;<sup>26</sup> and
- on exit (i.e. transferring their benefit to another fund or receiving payment of the benefit in cash).<sup>27</sup>

3.13 A locatable member is any member other than a member for whom the trustee of the ERF:

- (a) has no address and has been unable to obtain an address for the member; or
- (b) has an address which the trustee is satisfied, on reasonable grounds, is incorrect; and

the trustee:

- (c) after making reasonable efforts, has not been able to locate the member; or
- (d) has relied on the trustee of the feeder fund fulfilling the requirements above.

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<sup>24</sup> See Division 2.3 of the SIS Regulations.

<sup>25</sup> See Regulation 2.4.2 of the SIS Regulations (for annual member information) and s1017DA of the Corporations Act (for annual fund information).

<sup>26</sup> See Division 2.5 of the SIS Regulations.

<sup>27</sup> See Division 2.7 of the SIS Regulations.

## Disclosure requirements for feeder funds

3.14 Trustees of feeder funds are required to give information to members about what the circumstances for, and effect of, payments to ERFs<sup>28</sup> are:

- when the member joins the fund (before joining in the case of non-standard employer-sponsored members of a public offer superannuation fund and within three months after joining in the case of standard employer-sponsored members);<sup>29</sup>
- annually;<sup>30</sup> and
- as part of the significant event reporting requirements.<sup>31</sup>

3.15 Trustees of feeder funds are also required to give an exit statement to a member who is transferred to an ERF (if they are locatable).

## Changes to disclosure requirements under the Corporations Act

3.16 Apart from the introduction of more stringent disclosure of fees, the Corporations Act contains some other changes to the disclosure requirements under the SIS Act examined during our campaign. The changes are:

- (a) s1013D does not contain a specific requirement for information about the payment of benefits to an ERF to be included in a PDS, unlike SIS Regulation 2.10(3)(j) and (l). This change is discussed in an FSR FAQ on ERF disclosure, which is available on [www.asic.gov.au](http://www.asic.gov.au).
- (b) s1013D is not subject to members being locatable, unlike Part 2, Division 2 of the SIS Regulations which is subject to SIS Regulation 2.05 (this unintended change was notified to Treasury and has been rectified by an amendment to the Corporations Regulations).<sup>32</sup>

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<sup>28</sup> Subject to SIS Regulation 2.26A. Under this regulation, trustees can give reduced annual member-related information to members of the fund who are “protected members” under SIS Regulation 1.03. The reduced disclosure comprises the fund’s contact details, the member’s withdrawal benefit at the end of the reporting period or the total amounts received in respect of the member in the reporting period and surcharge tax information. Protected members are not required to receive information about the payment of benefits to ERFs.

<sup>29</sup> See SIS Regulations 2.10(3)(l) and 2.16(1)(j).

<sup>30</sup> See SIS Regulation 2.23(g).

<sup>31</sup> See SIS Regulations 2.36(3) and 2.36A.

<sup>32</sup> See Regulation 7.9.07G of the Corporations Regulations.



## Section 4: ERF findings

4.1 Our key findings about ERFs were:

1. Disclosure to members about fees and the operation of member protection rules was often inadequate and sometimes potentially misleading. We identified this as an issue for 15 ERFs. In one ERF, we were not able to assess the adequacy of disclosure about fees and member protection because the ERF did not produce disclosure documentation for members.
2. Most ERFs were not making reasonable efforts to locate members before treating them as “unlocatable”. This means locatable members may not have received information they should be receiving. We identified this as an issue for 11 ERFs. In one ERF, this meant that no disclosure documentation was produced for members.
3. One ERF did not provide adequate disclosure to members to enable them to give informed consent to the use of their personal details to conduct searches of lost superannuation money.

4.2 We also observed that, generally, ERFs were not providing reduced member information to small account holders (i.e. they are not utilising SIS Regulation 2.26A).

4.3 While two ERFs are the subject of further action, we communicated our findings (where relevant) to the other 14 ERFs that participated in the campaign together with recommended improvements. Generally, the ERFs responded positively to our findings by:

- making a range of improvements to their disclosure about fees and member protection in their disclosure documentation for the 2002–03 reporting period; and
- improving their compliance procedures for identifying unlocatable members.

All our key findings and observations on ERFs are described in detail below for the superannuation industry, at large, to consider.

### Disclosure of fees and member protection

4.4 Generally, disclosure by ERF trustees about fees and the operation of the member protection rules was inadequate when assessed against transitional superannuation disclosure requirements. In many cases, the disclosure about fees and member protection was insufficient, or not clear and effective. In some cases, the disclosure was potentially misleading. This is of greater concern because a key finding about feeder

funds was that they do not sufficiently disclose the effect of transferring a member to an ERF. This means that a person may have little or no understanding of the operation of the ERF before and after they have been transferred to the ERF.

4.5 Specifically, we identified the following inadequacies:

1. Some ERF trustees did not provide any details about fees deducted from the fund assets or earnings (“indirect fees”) in the on-joining<sup>33</sup> and annual information. In other cases, the information about indirect fees and how they were calculated was insufficient.
2. Some ERF trustees provided details about indirect fees in the on-joining information and annual fund report accompanying the annual member statement. However, the disclosure of fees in the annual member statement was confusing, or conveyed the misleading impression that there were *no* fees payable for administration whatsoever.
3. Most ERFs did not fully or accurately explain the impact of member protection on fees. In particular, it was not clear what fees the member protection rules applied to.

These issues are discussed in more detail below: see paragraphs 4.7–4.16.

4.6 Some other inadequacies in the disclosure provided to members about fees were:

- One ERF failed to notify members, in advance, of an increase in fees.
- One ERF (a subplan of a master trust) showed two fees on the annual member statement that were not applicable to members of the ERF (they were applicable to other members of the master trust). While a nil amount was shown against these fees, the reference in ERF information to fees that do not relate to the ERF is confusing and may be misleading.

### **Inadequate information about indirect fees**

4.7 In some ERFs there was no information about indirect fees or the only information about these fees was an aggregate dollar amount (for the fund as a whole) shown in the ERF financial statements. We consider that information about fees and charges deducted from fund earnings is required in the on-joining and annual information provided to members because:

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<sup>33</sup> Many ERFs produced a combined on-joining disclosure document and annual fund report (e.g. a Member Brochure).

- SIS Regulation 2.16(1)(i) (for funds other than self-managed superannuation funds) contains a specific requirement for on-joining information to include how and when fees, charges, expenses and administrative or other operational costs are attributed (either directly or indirectly) to members, including the amount or percentage of these fees or, if an amount is not predetermined, a general statement as to the manner in which they are determined.
- SIS Regulation 2.16A(1)(k) (for capital guaranteed funds) contains a specific requirement for a member to receive in their on-joining information a *summary* of the fees and charges that may be charged directly to the fund. We would expect a summary to contain an explanation (brief and comprehensive) of what the fees are for and their estimated amount. We do not consider, for example, a statement that “all fees and charges are deducted before interest is credited to your account” is a summary of the fees and charges charged directly to a fund. Such a statement notes the existence of fees but is not a summary of them.
- SIS Regulation 2.22 contains a general requirement (for funds other than self-managed superannuation funds and capital guaranteed funds) for a member to receive, annually, all information that the trustee reasonably believes a member reasonably needs *for the purpose of understanding their benefit entitlements*.
- SIS Regulation 2.23(c) (for funds other than self-managed superannuation funds and capital guaranteed funds) and SIS Regulation 2.24A(1)(d) (for capital guaranteed funds) contain a specific requirement for a member to receive, annually, information about the *method* by which the amount of the member’s withdrawal benefit at the end of the reporting period was worked out.
- Corporations Regulation 7.9.35 contains a general requirement for a member to receive, annually, all information that the trustee reasonably believes a member reasonably needs for the purpose of understanding the *management*, financial condition and *investment performance* of the fund.

4.8 Two ERFs provided no details about indirect fees, other than to note that the investment return was calculated after the deduction of fees. In these ERFs nil fees/nil returns were disclosed for account balances less than a certain amount (e.g. \$1000) even though fees were deducted before the rate of return was determined.

4.9 One ERF trustee simply stated in its annual report that indirect fees would be no more than 50% of the investment return, without any indication about how the actual amount of the indirect fee, subject to the 50% maximum, was calculated.

## Disclosure of nil administration fees in annual member statements

4.10 In most ERFs, information about indirect fees was contained in the annual fund report and not the annual member statement or benefit statement. This meant that the existence and/or amount of indirect fees was not always apparent and may have misled members into thinking that there were no administration fees at all.

4.11 We consider, in some circumstances, that the absence of information about indirect fees or the manner of presentation of indirect fees in annual member statements (notwithstanding the presence of information about these fees in the annual fund report) may be misleading under the consumer protection provisions contained in the ASIC Act. In particular, we consider that the ordinary consumer may not be able to sufficiently and clearly appreciate the existence of indirect fees when one or more of the following factors are present:

- the annual member statement shows a “nil” amount against administration costs;
- the annual member statement makes no reference to the existence of indirect costs or that these costs are deducted from the investment return;
- the annual member statement *does not* direct the member where to find information about these fees (e.g. cross-referring to the fund report), or there is an insufficient cross-reference to this information (e.g. the cross-reference is in small print);
- the annual member statement *does* direct the member to the fund report for information on indirect fees, but the information in the annual report uses language that is not consistent with the language used in the member statement (e.g. the member statement refers to “management costs” and the fund report refers to “fund costs”); and/or
- the information about member protection provided by the ERF trustee to the member suggests that benefits are protected from *all* costs.

4.12 Our review of ERFs has shown that most ERFs have indirect fees. While the recovery of indirect fees from assets or earnings is permitted, the result is that these costs can erode members’ benefits in an ERF to an extent that may not be apparent from the disclosure provided to members.

4.13 We consider that greater transparency is needed in this area. A member should be able to see the extent to which a low investment return is due to the deduction of fees or poor investment performance.

## **Inadequate disclosure of the impact of member protection on fees**

4.14 The concept of member protection is complex, operates in different ways in different funds and may not be well understood. Examples of inadequate disclosure about the impact of member protection are:

1. Some ERFs simply did not explain the concept of member protection at all.
2. Some ERFs described the member protection rules as providing protection from erosion of benefits by costs, but did not explain *which* costs (e.g. the disclosure did not convey the treatment of indirect costs or taxation costs), or the circumstances in which protection could be switched off (e.g. in a bad investment period).

### **Our conclusions**

4.15 Improvements were needed in the disclosure about fees (in particular, indirect fees) and member protection by ERFs, in particular to ensure compliance with transitional superannuation disclosure requirements and to avoid potential breaches of the ASIC Act. We consider that more detailed disclosure of fees is particularly important for an ERF that provides member protection, or purports to provide protection in accordance with member protection rules, because the calculation and treatment of fees and charges is integral to the nature and purpose of ERFs and the expectations that consumers might have about such funds. Members should be told what types of fees are covered (and are not covered) by the member protection rules, and how member protection impacts on fees.

4.16 We note, in any case, that the fees and charges disclosure requirements in the Corporations Act<sup>34</sup> that apply to all financial products (including superannuation products) are more stringent than those contained in the SIS Regulations. The new requirements will go a considerable way to achieving the improvements in fees and charges disclosure that are recommended. More detailed disclosure of fees and charges (both amounts and points at which they are charged) will be required from superannuation trustees under the disclosure obligations contained in the Corporations Act from 11 March 2004 (or earlier, if the trustee opts into the new disclosure regime).

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<sup>34</sup> ASIC has also released a model for improving disclosure of fees in a PDS developed in consultation with industry: see *A model for fee disclosure in product disclosure statements for investment products* at [www.asic.gov.au](http://www.asic.gov.au).

## Not satisfying the “unlocatable member” test

4.17 Most ERFs were not making reasonable efforts to locate members before treating them as unlocatable. This means locatable members may not have received information they should have received.

4.18 In one ERF this meant that no disclosure documentation was produced for members. In some ERFs, the lack of reasonable efforts was further highlighted by the absence of any documented procedures on the part of the ERF trustee for ensuring the delivery of information to members.

4.19 Like other superannuation funds, the trustee of an ERF is subject to disclosure obligations for all members except for those who are unlocatable (“unlocatable member” test).<sup>35</sup> This is a different test from the “lost member” test in SIS Regulation 1.03A.<sup>36</sup> In particular, the unlocatable member test includes the specific condition that the trustee take reasonable steps to locate the member before treating the member as unlocatable.

4.20 While the trustee of an ERF can rely upon the previous efforts of a feeder fund trustee to locate the member, it must be satisfied that the trustee of the feeder fund has taken such reasonable steps.

4.21 In most ERFs, the disclosure processes or practices instituted by the trustee and/or administrator for the fund suggest that they may be using the lost member test instead of the unlocatable member test when deciding whether to disclose to members. While aspects of the lost member test (e.g. the return of mail) might form the initial basis for a trustee deciding whether they have the correct address for a member, this does not address the separate and specific requirement for a trustee to take reasonable steps to locate a member before satisfying themselves that the member is unlocatable.

### Our conclusions

4.22 When relying on SIS Regulation 2.05, trustees should develop, document and implement compliance procedures for deciding whether their members are unlocatable, in particular, procedures for:

- (a) obtaining an address for the member if they have no address;

<sup>35</sup> SIS Regulation 2.05.

<sup>36</sup> See paragraph 2.7. The purpose of the lost member test is to determine whether to report members as lost to the Lost Members’ Register. The Lost Members’ Register is a register of unclaimed money and lost members maintained by the ATO so that members can find their unclaimed or lost money. The lost member test is not a test that determines disclosure to members.

- (b) identifying, on reasonable grounds, whether any member address is incorrect (returned mail may indicate that an address is incorrect, while failure of a member to reply to mail does not);
- (c) taking reasonable steps to locate those members if the address is incorrect or if they have been unable to obtain an address; or
- (d) at the time of the transfer of a member to the ERF, being satisfied that the transferring fund trustee has done all the things mentioned above.

4.23 We recognise that what are “reasonable steps” will depend on the circumstances of each fund, including the size of the fund and cost. However, at the very least the law requires some further steps (other than sending mail to a “failed” address). A trustee cannot rely on cost to relieve them from taking any further steps, but cost may be relevant to what sort of steps are taken. Reasonable steps to locate a member may include:

- checking the address details on returned correspondence to ensure that obvious errors have not been made (e.g. an incorrect postcode), in particular if this check is not applied before mailing (we note that some ERFs have systems that automatically do this before mail is sent out);
- making enquiries with the member’s last known employer;
- “White Pages” searches (we note that some ERFs did undertake electronic “White Pages” searches);
- electoral roll searches (we note that some ERFs did utilise the electoral roll);
- other services that may assist with the tracking of members (e.g. Australia Post “change of address” service); and
- if the trustee of the ERF relies on the efforts of a feeder fund trustee, having in place documented procedures showing that the reliance is reasonable (e.g. certification by a feeder fund trustee of the steps taken by them to satisfy the requirements in SIS Regulation 2.05 in respect of transferring members).

4.24 It is ultimately for the trustee of the ERF to determine and demonstrate that it has satisfied the requirements in SIS Regulation 2.05 when not providing disclosure documentation to a member.

## **Not seeking consent to cross-fund matching process**

4.25 The trustee of one ERF did not provide adequate disclosure to members to enable the trustee to regard the members as having given consent to the use of their personal details in a cross-fund matching process involving searches across a number of superannuation fund databases to match member details. This was particularly the case for any unlocatable members who may have never received any disclosure documentation from the ERF trustee under SIS Regulation 2.05. The purpose of these searches was to “repatriate” benefits of members in an ERF into other superannuation funds.

4.26 The ERF trustee did not seek consent from members before applying the cross-fund matching process, and relied upon information in the disclosure documentation to members as indicating implied consent.

4.27 While the on-joining information given to members provided the member with the option to opt out of the cross-fund matching process by notifying the trustee in writing, there was no reminder about the ability to opt out in the annual information to members.

4.28 The explanatory memorandum to the *Privacy Act 1988* addresses implied consent in relation to National Privacy Principle (“NPP”) 2.1(b), which applies to the use of information for secondary purposes. It states that implied consent could legitimately be inferred from an individual’s failure to object to (or opt out of) a proposed use or disclosure, “provided that the option to opt out was clearly and prominently presented and easy to take up”.

### **Our conclusions**

4.29 Participation by a trustee of an ERF in cross-fund matching processes raises privacy issues in relation to the use of a member’s personal details. While privacy issues were not within the ambit of our campaign, they have disclosure implications that should be addressed in the following ways:

- clearly and effectively notifying members about any proposed uses of their personal details for cross-fund matching processes; and
- if members have the ability to opt out of the cross-fund matching process, clearly and prominently disclosing this ability to members. We consider that the “opt out” should be disclosed on-joining and annually.



## **Not utilising reduced disclosure requirements to small account members**

4.30 Under SIS Regulation 2.26A, trustees can give reduced annual member information to members of the fund who are “protected members” (members with less than \$1000). The reduced disclosure comprises the fund’s contact details, basic benefit information and surcharge tax information. Based on information received under notice and at our visits to the ERFs, it appears that no ERFs are utilising the reduced disclosure requirements set out in SIS Regulation 2.26A.

4.31 SIS Regulation 2.26A provides very minimal information and does not include key consumer protection information (e.g. information about complaints handling). It also does not include information about the circumstances in which benefits will be paid to an ERF and the effect of such a transfer.

### **Our conclusions**

4.32 SIS Regulation 2.26A (and its equivalent in the Corporations Regulations) should be revisited on the basis of existing industry practice. We have raised this issue with Treasury.

## Section 5: Feeder fund findings

5.1 Our findings on feeder funds focused on disclosure of the circumstances, and effect, of a transfer of a member's benefits to an ERF. We are currently considering further action in relation to the disclosures provided by one feeder fund about the circumstances in which benefits will be paid into an ERF and the effect of such a transfer.

5.2 Our key findings on feeder funds were:

1. Disclosure about the *circumstances* in which benefits will be paid to an ERF was often non-specific and unhelpful to members. Sometimes the circumstances in which benefits had (in practice) been transferred to the ERF were not reflected in the feeder funds' disclosure or there was inconsistent disclosure of the circumstances. This is a concern because it would not always be apparent to members when their benefits can be transferred to an ERF.
2. Disclosure about the *effect* of a transfer of a benefit to an ERF was often minimal, oversimplified and lacking in detail. It was also not always consistent across the disclosure documents produced by the ERF. This is a concern because the circumstances in which benefits can be transferred to an ERF have increased and the diversity in ERF arrangements means that the effect of a transfer will not always be the same.
3. Disclosure by feeder funds about changes to their nominated ERF was not always timely, prominent or explained to members. This may lead to members not knowing to which ERF their benefit has been transferred from the feeder fund.
4. Contact details for the nominated ERF were sometimes incomplete, again making it difficult for members to track their benefit after being transferred to an ERF.

### Disclosure of the circumstances of transfer

5.3 Most of the disclosure by feeder funds about the circumstances in which benefits will be paid to an ERF was non-specific and unhelpful to members. In some cases:

- Payments appear to have been made to ERFs in circumstances that were not described in the feeder fund's disclosure documentation or in circumstances that were not clearly encompassed in the disclosure of circumstances to members.

- The description of the circumstances in which benefits will be paid to an ERF was not consistent across the feeder fund's disclosure documents or was not consistent with the feeder fund's policy for transferring benefits to the ERF. A number of feeder funds did not have internal documented procedures outlining their policy for transferring benefits to an ERF or, alternatively, their policy was unclear. This made it difficult to assess the accuracy of the disclosure.

5.4 The main circumstances disclosed by feeder funds for the payment of benefits to an ERF included where:

- the size of the account balance was below a certain threshold (thresholds varied and included \$1000, \$700 and \$500);
- the member had become "lost";
- there had been non-receipt of contributions for a specified period (periods varied and included one year and 15 months); and
- the member ceased employment and failed to nominate, within a specified period, an alternative fund for payment of their benefit (the specified period varied and included 90 days, 30 days and 28 days).

#### **Our conclusions**

5.5 The legislative requirement for disclosure about the circumstances in which benefits can be paid to an ERF (on-joining and annually) is framed in the following terms:

"... if there are circumstances in which the trustee *would pay* [our emphasis] the member's benefit to an eligible rollover fund: (i) details of those circumstances ..."

5.6 We consider that the term "would pay" means that disclosure of the actual circumstances in which benefits will be transferred to an ERF, as evidenced by the fund's internal policy, trustee resolutions, compliance manuals and/or the fund's past practice, is required. A trustee of a feeder fund should have clearly established and well-defined rules and procedures for transferring benefits to an ERF. In the absence of such rules, we will look to fund practice to determine the adequacy of the disclosure in terms of reflecting the circumstances in which the trustee "would pay" to an ERF. If the trustee does not know, in advance, when it would pay benefits to an ERF, then we expect the trustee to make a clear statement that the circumstances may be determined on an ad-hoc basis and give examples of how they have historically exercised discretion. This approach lets members know the specific circumstances where the trustee might exercise their discretion and transfer benefits to an ERF.

## Disclosure of the effect of transfer

5.7 The disclosure about the effect of a transfer of a benefit to an ERF was minimal, oversimplified and lacking in detail. In some circumstances the disclosure about the effect of payment of benefits to an ERF was inconsistent between the various disclosure documents produced by the feeder fund (e.g. the description in the on-joining and annual information was not the same).

5.8 In most feeder funds, disclosure about the effect of a transfer was largely confined to two matters:

- cessation of membership of the feeder fund and/or the member's loss of rights against the trustee of the feeder fund; and
- the protection of benefits in the ERF (although the extent of protection was not detailed and might give the impression that protection extends to all fees or reductions in capital).

5.9 Some feeder funds, however, also provided disclosure about:

- the cessation of insurance cover provided by the feeder fund (five feeder funds);
- the cessation of choice of investments in the feeder fund (only one feeder fund);
- the inability to make contributions to the ERF (only one feeder fund);
- the investment strategy of the ERF (only three feeder funds — in these cases the feeder funds conveyed the potential lower rate of returns and/or guarantees); and
- the fees and charges in the ERF (only one feeder fund — the disclosure was general and conveyed only that the trustee of the ERF determined the fees).

5.10 Our review of ERF documentation showed that ERFs are diverse superannuation vehicles. They had different:

- **Fund structures.** Most were stand-alone funds but two were subplans of another fund.
- **Fee designs.** Most ERFs deducted indirect fees from the assets or earnings of the fund. In one ERF, a 5% management fee applied (even though the ERF applied a low risk/conservative investment strategy). A few ERFs charged different fees depending on the account balance of the member.
- **Investment approaches.** Most ERFs had conservative investment strategies (e.g. cash, fixed interest) but two ERFs had a significant weighting in equities (one ERF was in excess of 60%).

- **Allocation of investment returns.** Two ERFs imposed tiered crediting rates on different members so that members with small amounts receive lower investment returns than members with higher balances or, in some cases, no returns at all.
- **Acceptance of contributions.** Only two ERFs accepted contributions.
- **Provision of insurance.** Only two ERFs provided insurance cover.

5.11 Our review also showed that the majority of feeder funds transfer members' benefits into an ERF without providing the member with the alternative of paying their benefit to another fund or entity immediately before the transfer to the ERF. The exception was where the basis for the transfer is the member's cessation of employment and the failure, by the member, to provide a payment instruction to the trustee of the feeder fund. In this scenario, most feeder fund trustees gave members a choice about the payment of their benefit to a fund other than an ERF, provided another fund was nominated in a specified time period.

5.12 Where a choice was not offered, the transfer appeared to usually take place without any disclosure *immediately before* the transfer to the ERF to members who are locatable pursuant to SIS Regulation 2.36(3)(a). This means that on-joining and annual disclosure is the main mechanism by which trustees of feeder funds convey information to members about the possibility of payment of benefits to an ERF and its effect. With this in mind, on-joining and annual information has a crucial role in conveying information about ERFs to members.

### **Our conclusions**

5.13 The broad power of a trustee and the increasing number of circumstances specified for the transfer of benefits to an ERF warrants the highest level of disclosure. In particular, disclosure should reflect the effect on a member's benefit of being transferred from the arrangements applicable to the member in the feeder fund *to* the arrangements that will be applicable to the member in the ERF.

5.14 Detailed disclosure is particularly important where the member is given a choice to have their benefit transferred by the trustee of the feeder fund to another fund (other than an ERF). It is also important where no choice is provided so that the member has the opportunity to change their participation in the feeder fund to avoid the transfer of their benefit to an ERF (if they so wish).

## Disclosure of changes to the nominated ERF

5.15 The trustees of four feeder funds changed the ERF to which they transfer benefits in the period examined during our campaign. The trustee of one feeder fund nominated an ERF during this period (where previously no ERF was nominated). Generally, the disclosure provided to members about nomination of an ERF or a change in the nominated ERF, by these feeder funds, may not have been consistent with the significant event reporting requirements contained in Division 2.5 of the SIS Regulations.

5.16 In particular, the disclosure was not always timely (with the tendency being to show the nomination/change of ERF in the annual report issued to members after the change of ERF was implemented) and did not contain information about the nature or purpose of the change and its effect on members' entitlements. This means that a member may not have had the opportunity to learn of the nomination/change before being transferred to the "new" ERF.

### Our conclusions

5.17 A change (and nature or purpose and effect of the change) in the nominated ERF of a feeder fund should be disclosed in a timely and effective manner.

## Disclosure of contact details for the nominated ERF

5.18 Among the basic information that is required to be given to members about ERFs on-joining and annually are the contact details of the ERF.<sup>37</sup> This means the name of the ERF, a contact address for the ERF, a contact person and a telephone number for the contact person. A contact person means a named individual or a person holding a designated office or position, who is available to receive and deal with inquiries or complaints by members.

5.19 In the case of two feeder funds, the correct contact details for the nominated ERF were not shown in the on-joining information although they were shown in other disclosure documentation (e.g. the annual report). In the case of two feeder funds, the contact details were incomplete: one feeder fund provided only the name (but not other contact details) for the ERF, while another feeder fund did not provide a contact telephone number.

<sup>37</sup> See SIS Regulations 2.20(3)(l)(ii), 2.16(j)(ii) and 2.23(g)(ii).

**Our conclusions**

5.20 Trustees of feeder funds should ensure:

- (a) full contact details for their nominated ERF are provided to members; and
- (b) these contact details are consistently disclosed across the feeder fund's disclosure documentation.

## Section 6: Consumer initiatives

6.1 Our campaign focused on the adequacy of disclosure by trustees about ERFs, and recommendations for improvement, in the context of the disclosure requirements prevailing at the time the campaign was conducted. We also considered the extent to which other information about ERFs can support the role of mandatory disclosures and contribute to consumer awareness of ERFs.

### Improving public access to information about ERFs

6.2 Information about which ERFs exist in the marketplace is currently available from a list of ERFs contained on the APRA website. However, there is no publicly available information that outlines the names of *all* the ERFs (and their status as ERFs compared to other superannuation funds), their trustees and relevant contact details. This information might provide another avenue for consumers seeking to locate their superannuation benefits (e.g. if the consumer is not listed on the Lost Members' Register because they are not lost<sup>38</sup> and do not know the name of the feeder fund to which they belonged). We have raised this issue with APRA and the ATO.

### Consumer education

6.3 The findings of the campaign suggest that there may be low consumer awareness of:

- the existence of ERFs (and the fact that a member can be transferred out of their fund without consent);
- the circumstances in which benefits can be transferred to an ERF;
- the implications of being transferred to an ERF (e.g. the loss of insurance cover);
- the importance of a member maintaining contact with their superannuation fund to avoid being transferred to an ERF; and
- the merits (or otherwise) of remaining in a particular ERF (bearing in mind the features of the ERF and the member's financial objectives).

6.4 We consider that we have a role in increasing consumer awareness of these issues through consumer education. This is in addition to the important and ongoing role that the superannuation industry itself plays in raising consumer awareness through its mandatory disclosures and its

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<sup>38</sup> See paragraph 2.7 for the definition of "lost member".



own education initiatives. As a result, we will develop a number of consumer initiatives that address the following:

- the importance of consumers informing their fund about a change of address, including what can happen if they do not notify their fund of a change of address;
- the three main circumstances in which members can be transferred to an ERF (becoming lost, having a small account and failing to respond to a payment instruction upon termination of employment), including alerting consumers to the fact that they can be considered to be lost even though their fund has their address and communicates with them (e.g. you can be considered lost because you or your employer have not made contributions to the fund for two years);
- the implications of being transferred to an ERF (in particular, the loss of insurance cover where applicable, and the fact that an ERF does not protect a consumer from all fees or a reduction in their benefit due to investment losses); and
- the importance of making an assessment of whether their membership of an ERF is an appropriate investment decision and understanding the risks involved in letting their money stay in an ERF.

6.5 We are considering delivering our consumer education through various mechanisms, in addition to ASIC's usual distribution channels (e.g. the financial counselling network). This education will reflect the circumstances in which a consumer can have their superannuation benefit transferred to an ERF. We will utilise mechanisms associated with:

- changing address (e.g. renters' guides produced by state-based agencies, Australia Post and real estate bodies); and
- changing employment, including loss of employment and itinerant or casual employment (e.g. Centrelink, employer groups, trade unions, student associations and tertiary institutions).

6.6 Consumer education about ERFs may help members to keep better track of, and increase active participation in, their superannuation.