



22 January 2015

Ashly Hope
Strategic Policy Advisor
Australian Securities and Investments Commission
By email: ashly.hope@asic.gov.au

Dear Ashly,

Re: Consultation Paper 224: Facilitating electronic financial services disclosures

CHOICE welcomes the opportunity to provide comment on *Consultation Paper 224: Facilitating electronic financial services disclosures*.

CHOICE agrees that steps should be taken to further facilitate electronic disclosure to benefit consumers. Any change must preserve consumer choice of disclosure methods and provide safeguards, particularly for vulnerable consumers. We have provided answers to the most relevant questions in the Consultation Paper, suggesting minor amendments to achieve these aims.

B1Q1: CHOICE supports the proposal to update RG 221 to make it clear that, if a financial services provider has an email address for a client, they do not need additional consent to use that address to deliver disclosures electronically.

B1Q5: It should be made clear to consumers at the point when they provide an email address that this will or could be used as the primary means of communication between the client and service provider. It should also be made clear if this email will be used to provide additional disclosures from third parties.¹

Consumers are increasingly asked to provide personal information to businesses for marketing or data collection purposes. They are responding to this in an attempt to protect their digital identities. The Australian Communications and Media Authority (ACMA) has found that younger Australians frequently provide inaccurate information or supply an email address they do not use or is invalid when dealing with unwanted requests for personal information.² Specifying that an email address will be used to send important information, not just for marketing purposes, is likely to reduce the provision of inaccurate information.

¹ Such as in the example given in RG 221.35.

² 47.5% of people admitted to giving inaccurate information, such as date of birth or email address. This was reduced when it was clear why information was required. ACMA (2013) *Digital footprints and identities: Community attitudinal research*, pp 16-18 available at:

<http://www.acma.gov.au/~media/Regulatory%20Frameworks%20and%20International%20Coordination/Information/pdf/Digital%20footprints%20and%20Identities%20community%20attitudinal%20research%20pdf.pdf>

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B1Q10: There should also be consideration of actions required when an email cannot be delivered. Email systems provide direct feedback when a message cannot be delivered through failure to deliver notices. If this occurs, service providers should contact the client or provide disclosure through another available method.

B2Q4: If clients are sent a notification that a disclosure document is available via a hyperlink they should be directed to the specific disclosure document relevant to them, rather than to a general website or a page which lists multiple documents that may not be relevant.

C1: CHOICE supports efforts to facilitate more innovative PDS documents. We encourage designers to consider consumer needs when creating these documents by making information easy to use and understand. Innovative design can be applied to paper or electronic disclosure and requires a commitment to prioritise the information a reader needs most.³

Should you have any further questions about this submission please contact

Yours sincerely,

Erin Turner,
Campaigns Manager

³ For example see <http://www.choice.com.au/media-and-news/consumer-news/news/intelligent-design-for-your-mortgage-data.aspx>

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