



1 April 2018

Ms Clare McCarthy  
Behavioural Research and Policy Unit  
ASIC  
GPO Box 9827  
Melbourne  
VIC 3001

By email: [policy.submissions@asic.gov.au](mailto:policy.submissions@asic.gov.au)

Dear Ms McCarthy,

## **Consultation: Oversight of the Australian Financial Complaints Authority: Update to RG139**

Thank you for giving us the opportunity to provide feedback to the above consultation. In our response we have responded to selected questions from the consultation paper, set out in bold for easy reference.

**B3: We propose to clarify in our guidance that the primary role of the independent assessor is to: (a) respond to complaints about how AFCA dealt with an individual complaint or series of complaints; and (b) identify, address and report on issues affecting the AFCA's complaints handling operations and performance; and (c) as appropriate, make recommendations about or provide remedies for identified issues in complaints handling operations and performance.**

**B3Q1: Do you agree with our proposed guidance on the primary role of the independent assessor? If not, why not?**

MLCL have considered the proposal and agree with the proposed guidance on the primary role of the independent assessor. However, we seek further clarification whether the independent assessor will also be available for financial services providers to use to assess (a), (b) and (c) as outlined above or whether this would only be available to the complainant.

**B6: Our proposed expectations for financial firms are that, by commencement (no later than 1 November 2018): (a) any final response or written reasons financial firms give to a consumer about a dispute at IDR will refer to AFCA; (b) financial firms will update online information and forms to refer to AFCA, as appropriate; and (c) personalised disclosures, including periodic and exit statements, will refer to AFCA.**

**B6Q1: Is this is a sufficient timeframe for financial firms to update all of their legal disclosures (as set out in paragraph 35) and other consumer communications? If not, why not? Please provide specific detail in your response.**

MLC Life Insurance has a substantial amount of collateral that will need to be updated to include AFCA's new contact details. Our ability to update this material by 1 November 2018 varies as per the description below:

- For online materials we do not anticipate any difficulties with updating by 1 November 2018, as long as the relevant contact details including AFCA's registered address is made available within a reasonable time.

- For non- Product Disclosure Statements (PDS) printed materials, our ability to update collateral by 1 November 2018 is dependent on the relevant contact details being made available by 30<sup>th</sup> May 2018. If these details are not known by this date, the likelihood of us being unable to update collateral by the preferred date increases.
- For PDS we have a strong preference for the update of relevant contact details to be performed as part of the usual PDS update cycle, which could be prior or post 1<sup>st</sup> November 2018. Where a PDS is updated prior to 1 November 2018 we propose to include existing external contact details and the new contact details, along with an explanation of how consumers may access each. We would anticipate any PDS is updated post-1 November 2018 would be updated with the correct contact information within 12 months.

Permitting PDS to be updated as part of the usual PDS update cycle will produce significant cost savings for MLC Life Insurance and other financial services providers, while also reducing the risk that misleading out-of-date PDS remain in the market.

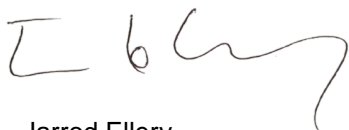
**B6Q2: Should we provide transitional relief from external dispute resolution disclosure obligations in the lead up to AFCA commencement? If so, please provide reasons.**

As noted above, we support transitional relief applying to PDS so as to reduce costs and the risk of misleading PDS remaining in the market.

We would believe transitional relief should be provided should there be any delay in making relevant AFCA contact details available to financial services providers. In the case of MLC Life Insurance, we may need to seek transitional relief if the relevant AFCA contact details are not available by 30<sup>th</sup> May 2018.

If you have any questions, please contact John Thomson, Manager Customer Advocacy 0418933550 on or by email at [John.S.Thomson@mlcinsurance.com.au](mailto:John.S.Thomson@mlcinsurance.com.au) if you wish to discuss or would like any further information.

Yours sincerely,



Jarrod Ellery

Chief Operations Officer (Acting)

MLC Life Insurance