



**Stockbrokers
And Financial Advisers**

Association Limited

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ASIC CONSULTATION PAPER CP 298 – AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY (“AFCA”)

We refer the ASIC Consultation Paper CP 298 – Oversight of the Australian Financial Complaints Authority and the attached Updated RG 139 (“the Updated RG139”).

The Stockbrokers and Financial Advisers Association (“SAFAA”) appreciates the opportunity to provide comments on the CP and Updated RG 139.

There is only one issue on which members have requested us to provide feedback, which we set out below.

Proposal

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.

Your feedback

B6Q1 Is this is a sufficient timeframe for financial firms to update all of their egal disclosures (as set out in paragraph 35) and other consumer communications?

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If not, why not? Please provide specific detail in your response.

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

SAFAA has received feedback from members that, in relation to the target date of 1 November 2018 for updating the necessary disclosures in respect of B6 (b) and (c), it would be preferable for there to be flexibility to allow firms to make a progressive transition in their documentation, rather than the hard date specified.

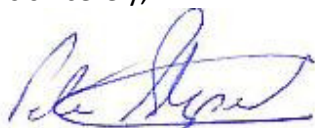
Whilst the period between now and 1 November is not truncated, there are nevertheless good reasons to allow flexibility and not impose a fixed deadline. Members have said that there will be other amendments that will most likely need to be made to disclosures and other documentation due to other regulatory changes that are in the pipeline (such as, for example, product design and distribution obligations). It is preferable to incorporate all changes together, as far as possible, both from the point of view of efficiency and cost, and also potential client confusion, rather than have to make a series of changes to documentation and generate a number of revised versions in a relatively short time frame (even where the disclosure is on-line). There is also merit in allowing for changes to be made as renewals are due to occur, rather than according to a fixed date.

This flexibility can be incorporated into the Updated RG 139 with suitable qualifications such that the compliance with the obligation is not open-ended.

There would be no detrimental impact on clients, in our view. Clients who seek IDR in respect of a complaint would be given appropriate notification about AFCA by the firm at the time. It would also be a simple matter for there to be a redirection by FOS of clients who make contact – we would imagine that such a redirection would be in place in any event for a period of time.

We would be happy to discuss any issues arising from these comments, or to provide any further material that may assist. Should you require any further information, please contact the writer on (02) 8080 3200 or email psteppek@stockbrokers.org.au.

Yours sincerely,



Peter Stepek
Policy Executive