



**ASIC**  
Australian Securities &  
Investments Commission

# Regtech Monitoring Financial Promotions: Demo and Symposium DEMONSTRATOR PACK

2 August 2019 Sydney



'There is a real need for new regulatory approaches to provide better outcomes for consumers. Regtech is something we are keenly interested in to ensure innovation in this area is utilised.'

John Price, ASIC Commissioner, 13 May 2019



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# Innovative Technology





# ASIC's Regtech Initiatives

- There is an opportunity to **influence** the **use of** regulation technology (**regtech**) to respond to conduct concerns of the financial services industry, and to speed progress to making Australia a world leader in its development and use - including through supervisory technology at ASIC.
- With the increasing use of artificial intelligence (AI) and machine learning (ML), it is fundamental to understand how regulators can support the adoption of the use of these technologies. In this light, ASIC received federal government funding to initiate ASIC's work in the regtech space, greenlighting four major projects each in FY2018-19 and FY2019-20.
- ASIC is designing regtech initiative projects to promote the **development and utility of regtech solutions** by financial services organisations to deliver and better, regulatory compliance and outcomes for consumers, positioning Australia as a leader in regtech.

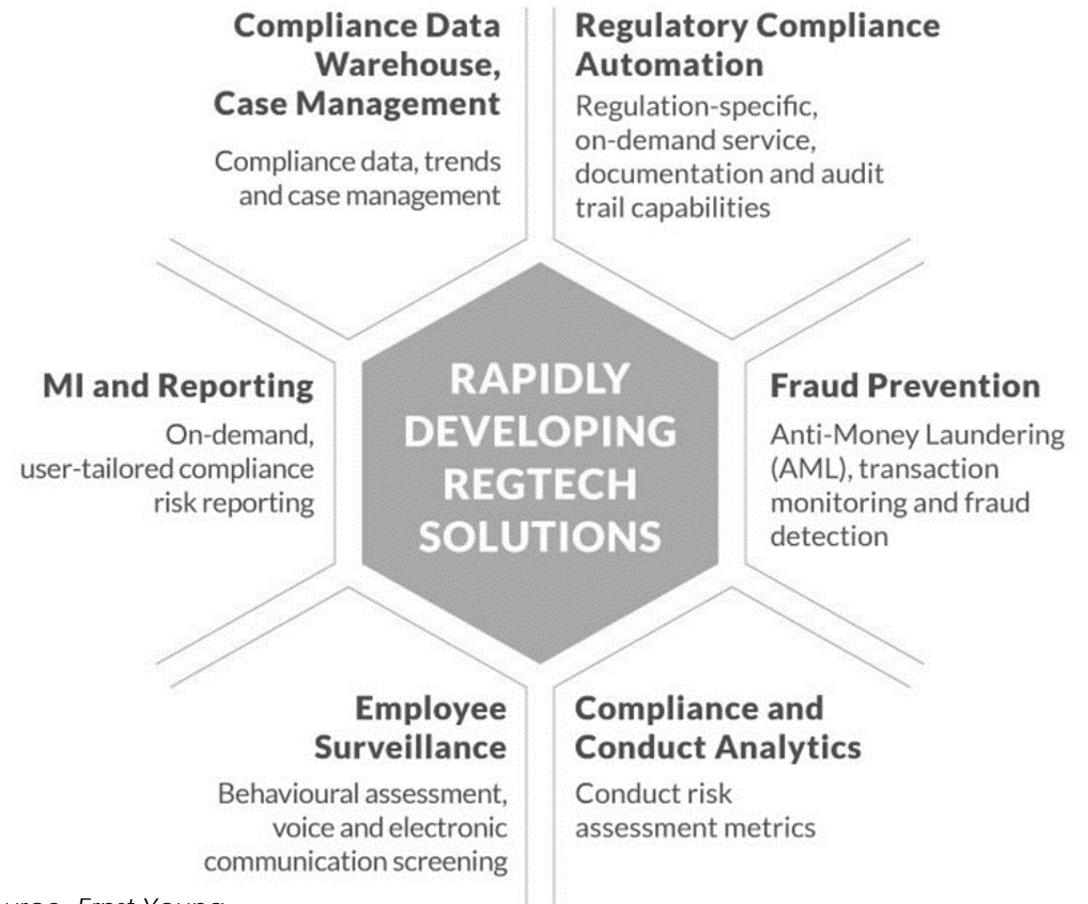
# Potential Technology Options

Building on a foundation of digitisation, automation, data science/AI and user interfaces, methodologies and technologies can include:

- Text analysis (rule-based algorithms, NLP)
- ML / AI / statistics
- Automation systems
- Workflow systems

Showcase innovative technology:

- With your own product
- Build your own application
- Deliver presentations / ideas / proofs of concept



Source: Ernst Young

# Financial Promotions



# Why Financial Promotions?

## Accuracy of Financial Promotion

Retail financial product businesses, licensees, regulators, auditors and product manufacturers all have an interest in effective monitoring, supervision and delivery of high quality financial promotions to potential customers.

ASIC is exploring the use of technology to contribute to solving this problem and help **improve** both **regulatory compliance** as well as the **quality** of promotions distributed to target markets.



Monitoring



Supervision



Delivery



# Why Financial Promotions?

We seek to:

- increase the awareness and understanding amongst industry of the current state and future potential of regtech applied to financial promotions.
- demonstrate **how technology can be used** to assist in determining the quality of financial promotions.
- identify the opportunities and challenges of using **advance technology** and other **regtech** approaches **to improving quality** of financial promotions and outcomes for consumers.

# Problem Statement and Outcomes



Problem Statement:

**Provide regtech solutions to monitor, identify and analyse the promotional material relating to banking, credit, and insurance.**

Monitoring Indicators:

- Regulatory compliance
- Risk metrics





# Key Components

**Identify and extract key informative features including (but not limited to):**

- Categorisation of the type of financial promotion, such as:
  - Traditional (billboard, web banner, television, radio, print etc.)
  - Non-traditional (podcasts, social media, forums, YouTube)
- The financial product (or products) associated with the promotion
- Entities referenced in the promotion (e.g. ACN companies, Australian Credit Licensees)



# Key Components cont.

## Potential indicators of risk or unclear content including (but not limited to):

- High-risk words in the promotion such as: 'lowest', 'cheapest', 'best', 'largest', 'instant', 'free', 'guaranteed'
- Inconsistent or unclear information in the promotional material such as:
  - Small or illegible text
  - Disclaimers inconsistent with headline claim
  - Interest rates being quoted in a non-annualised format
- Specific requirements for financial promotions relating to credit products, including where detailed in relevant legislation and regulatory guidance such as:
  - [National Consumer Credit Protection Act 2009](#) and [National Credit Code](#);
  - [Australian Securities and Investments Commission Act 2001](#); and
  - ASIC Regulatory Guides, including [Regulatory Guide 234 Advertising financial products and services \(including credit\): Good practice guidance](#).



# Target Outcomes

## ASIC's target outcomes are to:

- Demonstrate how technology can be used to help in determining the clarity and level of compliance of financial promotions material based on a sample of advertising in different formats provided by ASIC, and a wider sample of promotional materials which could include social media, forums, podcasts and others.
- Identify opportunities and challenges of using regtech to identify, monitor and analyse financial promotions and thereby outcomes for consumers.
- Increase awareness and understanding amongst industry of the current capability and future potential of regtech tools in their application to financial promotions and advertising.
- Identify options for next steps by ASIC and stakeholders to continue to promote the use of regtech to monitoring and analysing financial promotions.

# The Data





# Dataset

ASIC will provide to demonstrators approx. 180 examples of promotional material relating to banking, credit and insurance.

Demonstrators will be expected to use the ASIC dataset as a minimum and public information such as ASIC regulatory guides.

Demonstrators are encouraged to use other relevant data (e.g. third party, public or own data), financial product knowledge or information.

<b>00101</b>	<b>00101</b>	<b>00101</b>
<b>11001</b>	<b>11001</b>	<b>11001</b>
<b>01100</b>	<b>01100</b>	<b>01100</b>
<b>00101</b>	<b>00101</b>	<b>00101</b>
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<b>01100</b>	<b>01100</b>	<b>01100</b>
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<b>11001</b>	<b>11001</b>	<b>11001</b>
<b>01100</b>	<b>01100</b>	<b>01100</b>



## Using the Dataset

In order to receive a copy of the dataset, each demonstrator will be required to complete the [terms and conditions](#).

Upon ASIC's receipt, a secure link will be released to each demonstrator via email.

Use the data with the linked indicators to submit examples of regtech proposals and solutions that can monitor, identify and analyse the promotional material relating to banking, credit and insurance.

- **Presentations on event day** must refrain from identifying or referring to any individual promotion provided in ASIC's dataset.
- ASIC's dataset has been compiled for illustrative purposes only and is not intended for assessing compliance.
- Submissions can refer to or identify any wider publicly available and web-based advertising data.

# Data Rules

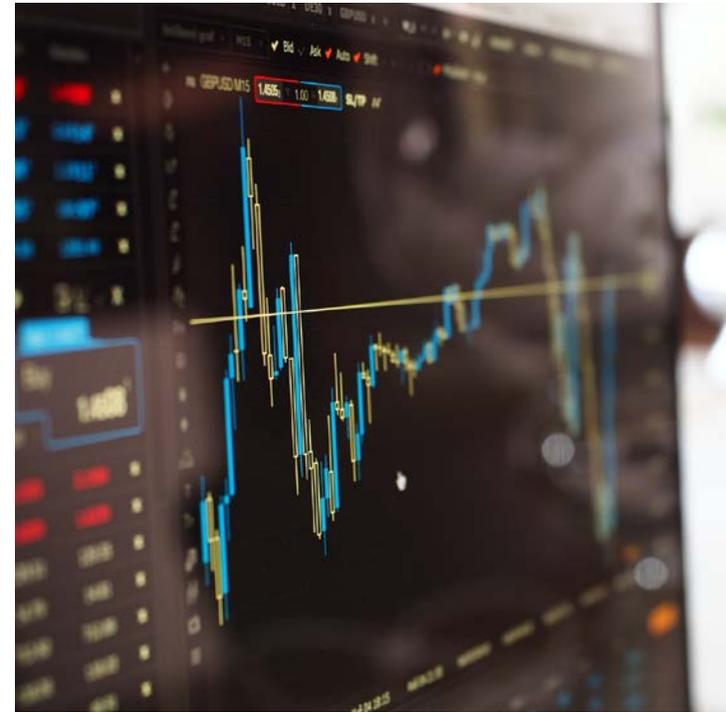


# Potential Metrics

The metrics that may be applicable:

- informative features
- potential indicators of risk or unclear content
- specific requirements and/or
- identifications of potential breaches

Different combinations of these, or other metrics, could be applied to help describe the risk and compliance rating of a financial promotion or advertisement.





# Rules Specifications

For the purposes of this exercise, set out is a sub-set of requirements that apply to the promotion of financial products and services as detailed in relevant legislation and regulatory guidance including:

[Australian Securities and Investments Commission Act 2001 \(ASIC Act\)](#)

- [Part 2 Division 2](#)

[National Consumer Credit Protection Act 2009 \(Cth\) \(NCCP Act\)](#)

- [Chapter 3 – Pt3-6A](#)
- [Schedule 1 – National Credit Code Pt 9 \(NCC\)](#)

[Corporations Act 2001 \(Cth\) \(Corporations Act\)](#)

- [Chapter 6D – Pt 6D.3](#)
- Chapter 7 – Pt [7.6](#), [7.9](#) and [7.10](#)

[ASIC Regulatory Guide 234 Advertising financial products and services \(including credit\): Good practice guidance \(RG 234\)](#)



# Principles-Based Breaches

Principles-based breaches are subjective in nature and will require participants to demonstrate greater sophistication and innovation in rule construction. Below is an explanation of the relevant concepts and principles. For real case study examples, refer to [Appendix A](#).

Advertisements that do not fairly represent key features and risks of a product, or the nature and scope of the service, can be misleading and create unrealistic expectations that may lead to a consumer making poor financial decisions.

[RG 234](#) provides principles-based good practice guidance for advertising financial products and services. The law may not expressly mandate good or best practice, but where there are grey areas or uncertainty, good practice is unlikely to offend the law.

## Financial services and credit laws prohibit:

Conduct that is misleading or deceptive, or that is likely to mislead or deceive

- ss [12DA](#) & [12DF](#) ASIC Act; and
- ss [1041H](#) & [1041F](#) Corporations Act

False or misleading representations

- ss [12DB](#), [12DC](#), & [12BB](#) ASIC Act
- ss [1041E](#) & [769C](#) Corporations Act
- [s30 NCCP Act](#)
- [s154 NCC](#), [s179U NCC](#)

# Principles-Based Breaches - Examples

Breach	Description	Reference
Headline claim vs warnings, disclaimers, qualifications and fine print	<ul style="list-style-type: none"> <li>Some headline claims are so strong, they can't be effectively qualified.</li> <li>Any qualifications should be consistent with other content in the ad, including the headline claim.</li> <li>Any qualifications should also be sufficiently prominent.</li> </ul>	<a href="#">RG 234 - paragraphs RG 234.47 to RG 234.53</a>
Comparison between products	<ul style="list-style-type: none"> <li>When comparing products in an ad, the products should have sufficiently similar features to make the comparison relevant and not misleading.</li> <li>Where only one particular feature of a product is highlighted, a comparison may be misleading if it ignores other key features.</li> </ul>	<a href="#">RG 234 - paragraphs RG 234.72 to RG 234.76</a>
Use of certain terms and phrases	<ul style="list-style-type: none"> <li>'Guaranteed finance' claims in the context of credit is false or misleading because an unconditional guarantee to provide finance is inconsistent with responsible lending laws.</li> <li>Terms like 'instant', 'best', 'free', 'cheapest' etc may potentially be misleading if unsubstantiated.</li> <li>Promotions containing government endorsements or approvals may potentially be misleading.</li> </ul>	<a href="#">RG 234 - paragraphs RG 234.91 to RG 234.104</a>
Returns, features, benefits and risks	<ul style="list-style-type: none"> <li>Promotions should give a balanced message about the returns, features, benefits and risks associated with the product.</li> <li>Promotions should not overstate the potential benefits or create unrealistic expectations by giving undue prominence to benefits over risks.</li> </ul>	<a href="#">RG 234 - paragraphs RG 234.33 - RG 234.46</a>

# Principles-Based Breaches - Examples

Breach	Description	Reference
Other potential false or misleading statements or misleading or deceptive conduct	<ul style="list-style-type: none"><li>For further examples of statements that are potentially false or misleading or conduct that is misleading and deceptive, please refer to <a href="#">RG 234</a>.</li></ul>	<a href="#">RG 234 - paragraphs RG 234.47 to RG 234.53</a>

The Australian Competition and Consumer Commission (ACCC) administers and enforces the Australian Consumer Law (as set out in Schedule 2 of the [Competition and Consumer Act 2010](#)) which also prohibits misleading or deceptive conduct in trade or commerce.

# Breaches of Specific Requirements

Breach	Description	Application	Reference
Australian Credit Licence <b>not disclosed</b>	An Australian Credit Licence is only required where the credit licensee is identified.	<b>Advertising medium:</b> Print, Billboard <b>Product:</b> All consumer credit products	<ul style="list-style-type: none"> <li>• <a href="#">Sections 52(2) NCCP Act</a></li> <li>• <a href="#">Reg 13 of NCCP Regulations</a></li> </ul>
Australian Credit Licence <b>not stated in full</b>	An Australian Credit Licence must be stated in the format 'Australian Credit Licence ...' and not an abbreviated form such as 'ACL' or 'Credit Licence', etc.	<b>Advertising medium:</b> Print, Billboard <b>Product:</b> All consumer credit products	<ul style="list-style-type: none"> <li>• <a href="#">ASIC Information Sheet 103 (INFO 103)</a></li> </ul>
Annual Percentage Rate <b>absent</b>	An Annual Percentage Rate is only required where there is a repayment amount stated.	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	<ul style="list-style-type: none"> <li>• <a href="#">Section 150(3) NCC</a></li> </ul>
Comparison Rate <b>absent</b>	A Comparison Rate is only required where there is an Annual Percentage Rate stated.	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	<ul style="list-style-type: none"> <li>• <a href="#">Section 160(1) NCC</a></li> </ul>
Comparison Rate <b>warning absent</b>	A Comparison Rate warning is only required where there is a Comparison Rate stated.	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	<ul style="list-style-type: none"> <li>• <a href="#">Section 163 NCC</a></li> </ul>

# Breaches of Specific Requirements

Breach	Description	Application	Reference
Comparison Rate warning incorrect	A Comparison Rate warning is a statement about the accuracy of a comparison rate and must be stated in the form prescribed by NCCP Regulations (either short statement or long statement).	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	<ul style="list-style-type: none"> <li>• <a href="#">Reg 99 of NCCP Regulations</a></li> </ul>
Comparison Rate not sufficiently prominent	A Comparison Rate must not be less prominent than any Annual Percentage Rate or amount of any repayment stated in an advertisement.	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	<ul style="list-style-type: none"> <li>• <a href="#">Section 164(2) NCC</a></li> </ul>
Unclear whether specified interest rate is an Annual Percentage Rate or Comparison Rate	The nature of any breaches will depend on if the interest rate is an Annual Percentage Rate or a Comparison Rate.	<b>Advertising medium:</b> All mediums <b>Product:</b> All consumer credit products, except credit cards	
Prohibited Terms	There are prohibited terms restricted by law such as 'independent', 'impartial' or 'unbiased'.	<b>Advertising medium:</b> All mediums <b>Product:</b> All financial (including credit) products or services	<ul style="list-style-type: none"> <li>• <a href="#">s923A Corporations Act</a></li> <li>• <a href="#">s160B NCCP Act</a></li> </ul>

# Evaluation Criteria





# Evaluation Criteria

The submissions will be evaluated according to the following high-level evaluation criteria:

- i. Addresses the [Target Outcomes](#) listed in the [Problem Statement](#)
- ii. The technology is demonstrated on the sample data provided by ASIC, possibly including:
  - Extraction of key data to support breach identification (e.g. Australian Credit License, Comparison Rate, Annual Percentage Rate)
  - Identification of promotions which contain a potential breach
- iii. The nature of any application of the technology on some other set of data identified and collected by the participant will be rated more favourably
- iv. Technological solutions identifying principles-based breaches will be rated more favourably than the ability to identify breaches of specific requirements
- v. The technology's potential for scalability and broad applicability can be demonstrated
- vi. The demonstrator exhibits an innovative application of technology
- vii. The demonstrator exhibits how the technology assist decision making by firms



## Evaluation Criteria

- Model performance and accuracy is not considered explicitly as part of the criteria, however demonstrators should consider including a performance and quality assessment of their test results in their submissions.
- ASIC is interested in reviewing submissions from a broad range of participants including but not limited to: start-ups, academics, financial institutions, professional services firms and Australian and international businesses. Thus, although all evaluation criteria will be considered, submissions that rate favourably on only some of the above criteria will be considered to present at the event.



# Detailed Rubric

Breach	Details
i. Addresses the Target Outcomes listed in the Problem Statement	<ul style="list-style-type: none"><li>• Addresses the broad intention of the problem statement</li><li>• Addresses specific metrics articulated in problem statement document and slides</li><li>• Addresses specific metrics based on public ASIC guidance or other industry insights</li></ul>
ii. The technology is demonstrated on the sample data provided by ASIC	<ul style="list-style-type: none"><li>• ASIC sample data used in results presentation</li><li>• Demonstration of technology on ASIC sample data is innovative and insightful</li><li>• Evidence provided that technology and modelling approach is effective for multiple types of advertisements (i.e. images, videos, audio, banner ads)</li></ul>
iii. The technology is demonstrated on other data identified and collected by the participant	<ul style="list-style-type: none"><li>• Other datasets used in results presentation</li><li>• Demonstration of technology to (i) monitor; (ii) identify; and (iii) analyse promotional material from appropriate channels such as web content, social media, and radio</li></ul>



# Detailed Rubric

Breach	Details
iv. The demonstrator can exhibit or describe the technology's potential for scalability and broad applicability	<ul style="list-style-type: none"><li>• The submission demonstrates or describes how the product could analyse large amounts of content streamed from various advertising channels</li><li>• The submission can be exhibited to be broadly applied across industry</li></ul>
v. The demonstrator exhibits an innovative application of technology	<ul style="list-style-type: none"><li>• Application of technology is novel and innovative</li><li>• The degree that advance technologies are used to solve the problem</li><li>• Standard machine learning technologies applied in a creative or an efficient and effective way</li></ul>
vi. The demonstrator exhibits how the outputs of the technology assist decision making by firms	<ul style="list-style-type: none"><li>• Outputs lead to clear and actionable insights</li><li>• There is a visual element in the presentation of the technology's outputs or results</li><li>• Potential for business value, better compliance, and / or better consumer outcomes</li></ul>

# Submissions and Selection





# Submission Form

Submissions selected to demonstrate at the event will:

1. present a variety of approaches to address the problem statement that:
  - a. use ASIC's sample dataset as a minimum
  - b. could have broad applicability in the retail credit, insurance and banking sectors
2. apply innovation:
  - a. in terms of technology
  - b. the assessment of advertising quality and risk
  - c. regulatory compliance assessments

# Submission Form

*Submissions should be presented in a format that is interpretable to reviewers from a broad range of technical and non-technical backgrounds.*

Demonstrators' final submissions will be [submitted online via a required cover sheet](#)

Submissions are **due by midnight AEST Sunday 14 July 2019** and all submissions will be reviewed by an ASIC panel.

Sample  
Submission  
Form

## Introduction

ASIC looks forward to reviewing your submission for the Monitoring Financial Promotions Regtech Event scheduled on Friday 2 August 2019 in Sydney.

Please complete this online cover form to submit your demonstration submission, completing all of the fields to qualify for selection to demonstrate at the symposium.

All submissions will be reviewed by an ASIC panel.

Submissions will be selected to demonstrate at the event that :

1. present a variety of approaches to address the problem statement that
  - use ASIC's sample dataset as a minimum; and
  - could have broad applicability in the retail credit, insurance and banking sectors
2. apply innovation:
  - in terms of technology
  - the assessment of advertising quality and risk
  - regulatory compliance assessments

Submissions are due by midnight AEST Sunday 14 July 2019.

### ▶ Related Information

#### 1. Professional Details

Company Name (Required)

Company Website (Required)

Contact Name (Required)

Contact Email (Required)

Contact Number

#### 2. Submission Details

Briefly describe your technological solution: (Required)



## Selection Process

- All submissions to demonstrate will be reviewed by an ASIC panel with experience in business, financial promotions, data analytics and regtech applications.
- Submissions meeting the evaluation criteria will be considered for their innovative approach.
- Demonstrators will be selected exhibiting diversity in industry, technology, solutions.
- All submissions will be showcased on a bulletin board (unless you say so).
- No correspondence will be entered into on panel decisions.



# Selection Process

- [Complete Terms and Conditions](#) by midnight (AEST) Sunday 7 July
- Receive the Dataset upon ASIC's receipt of your completed Terms and Conditions
- [Submit your solutions](#) by midnight (AEST) Sunday 14 July
- All submissions will be reviewed by ASIC Evaluation Panel (*no late submissions considered*)
- Demonstrators announced on Friday 19 July
- Symposium on Friday 2 August



**ASIC**

Australian Securities &  
Investments Commission

[Regtech.Initiatives@asic.gov.au](mailto:Regtech.Initiatives@asic.gov.au)

Appendix A

# Breach Identification Examples: Principles-based Breaches



# Example 1: RAA Insurance Ltd

See dataset for files

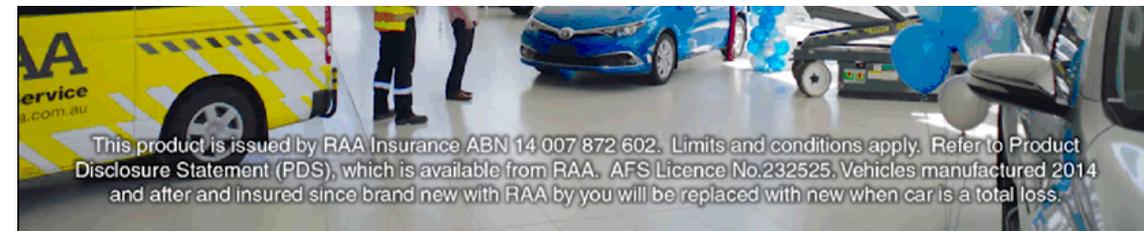
## 18-085MR RAA Insurance pays \$43,200 in penalties for misleading car insurance advertising

- Advertisement 1: 'Showroom' television advertisement (30secs)
  - Amended version (changes to disclaimer text, size, and prominence)
- Advertisement 2: Shortened 'showroom' television advertisement (15secs)

*Original disclaimer*



*Amended disclaimer*



# Example 1: RAA Insurance Ltd

Advertisement 3: Outdoor billboard advertisement



# Example 2: Volkswagen Financial Services Australia Pty Ltd

## 17-410MR Volkswagen Financial Services Australia pays \$216,000 penalty for misleading advertising

### Advertisement: Website advertisement

#### Disclaimers

-Manufacturer's campaign driveaway price for MY17 new vehicles sold by 31 January 2017 and delivered by 28 February 2017. Private buyers only, available in conjunction with 1% p.a comparison rate‡ below. Options and metallic paint may be available for an additional cost. Volkswagen Group Australia reserves the right to change or extend all offers. (5) Based on a driveaway price of \$22,990 for new MY17 Golf 92TSI manual to approved Personal Applicants of Volkswagen Financial Services (VFS)\*\* who use a Volkswagen Choice Guaranteed Future Value (GFV)^ product on a consumer loan over 48 months with a limit of 60,000 km travelled over term, and a GFV balloon of \$9,910. Total amount payable is \$23,655.19. Offer is based on 1% p.a comparison rate‡. Vehicles must be sold by 31 January 2017 and delivered by 28 February 2017. ‡Comparison rate based on a 5 year secured consumer fixed rate loan of \$30,000. WARNING: This comparison rate is true only for the examples given & may not include all fees & charges. Different terms, fees or other loan amounts might result in a different comparison rate. ^Volkswagen Choice GFV program consists of an option to require VFS\*\* to purchase your vehicle at the end of your VFS\*\* finance loan for a pre-determined value. Terms, conditions, fair wear & tear criteria, kilometre conditions, fees & charges apply. 5^‡VFS\*\* reserves the right to extend or change these offers. While stock lasts. Fleet, government, rental buyers, hire car and chauffeur companies are excluded. \*\*VFS is a trading name of Volkswagen Financial Services Australia Pty Limited ABN 20 097 071 460, Australian Credit Licence Number 389344. ° App-Connect is compatible for selected apps with the latest smartphone versions of iOS and Android. † Safety technologies are not a substitute for the driver's responsibility of the vehicle.



**Driveaway Deal** **Ends 31 Jan 2017~**



**Golf 92TSI** **MAN** **DSG**

- 1.4L turbocharged petrol engine with BlueMotion Technology
- Rear View Camera (RVC)
- App-Connect smart phone integration

6 Speed Manual from **\$22,990**

Driveaway~ From \$67 per week<sup>(1)</sup> based on a 1% p.a. comparison rate‡ with Volkswagen Choice Guaranteed Future Value^

**The 1% you can't ignore.**

Disclaimers

**Driveaway Deal** **Ends 31 Jan 2017~**



**Polo 66TSI Trendline** **MAN** **DSG**

- 1.2 litre turbocharged TSI engine
- Rear View Camera (RVC)
- App-Connect smart phone integration

5 Speed Manual from **\$16,990**

Driveaway~ From \$49 per week<sup>(1)</sup> based on a 1% p.a. comparison rate‡ with Volkswagen Choice Guaranteed Future Value^

**The 1% you can't ignore.**

Disclaimers

# Example 3: Fox Symes and Associates Pty Ltd

## 18-148MR Fox Symes pays \$37,800 for misleading advertising

- Advertisement 1: Website advertisement

Debt Consolidation - Debt Help & Solutions | Fox Symes



The screenshot shows a website header with the Fox Symes logo and navigation icons. Below the header is a large banner with a background image of a smiling couple. The banner contains the text: "FREE Debt Assistance", "We help 100,000 Australians each year. Quick, confidential and no obligation.", "It only takes 15 seconds to find out if we can help you", and a green button that says "START NOW". Below the banner is the heading "Resolve your debt and take control" and a paragraph: "Being able to control debt is difficult. If your debt is out of control then you need help. Knowing where to get help can sometimes be a problem. Fox Symes can help you." Below this are four menu items, each with a small image icon and a question: "Drowning in Credit Card Debt?", "Thinking about Debt Consolidation?", "Problems with Personal Loan Repayments?", and "Considering Bankruptcy?".

**FREE Debt Assistance**  
We help 100,000 Australians each year. Quick, confidential and no obligation.  
It only takes 15 seconds to find out if we can help you  
**START NOW**

**Resolve your debt and take control**

Being able to control debt is difficult. If your debt is out of control then you need help. Knowing where to get help can sometimes be a problem. Fox Symes can help you.

- Drowning in Credit Card Debt?**
- Thinking about Debt Consolidation?**
- Problems with Personal Loan Repayments?**
- Considering Bankruptcy?**

- Advertisement 2: Web banner advertisement



The banner features the Fox Symes logo on the left, followed by a dark blue bar with the text "Free Debt Assistance" in white. To the right of this bar, the text reads: "Take control and resolve debts without bankruptcy. Enquire now." On the far right, there is a small blue circle with a white right-pointing arrow.

**Free Debt Assistance**  
Take control and resolve debts without bankruptcy. Enquire now.

- Advertisement 3: Web banner advertisement



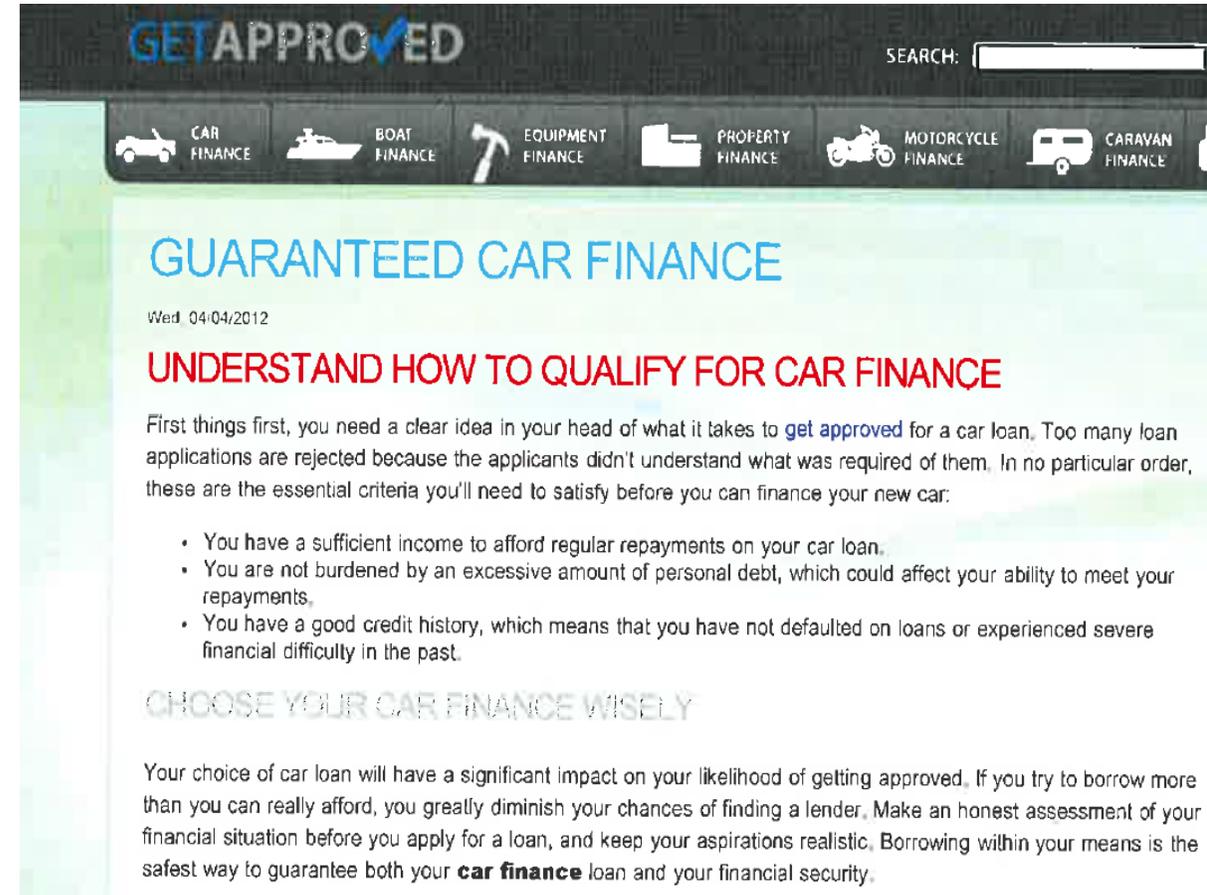
The banner features the Fox Symes logo on the left, followed by a dark blue bar with the text "Reduce Debt in Minutes" in white. To the right of this bar, the text reads: "Australia's No.1 Debt Consolidation Provider. Call Now". On the far right, there is a small blue circle with a white right-pointing arrow.

**Reduce Debt in Minutes**  
Australia's No.1 Debt Consolidation Provider. Call Now

# Example 4: Jeremy (WA) Pty Ltd

## 14-022MR Finance broker pays \$20,400 dollars infringement notice penalty

- Advertisement: Website advertisement



The screenshot shows the homepage of the 'GETAPPROVED' website. The navigation bar includes icons and labels for 'CAR FINANCE', 'BOAT FINANCE', 'EQUIPMENT FINANCE', 'PROPERTY FINANCE', 'MOTORCYCLE FINANCE', and 'CARAVAN FINANCE'. A search bar is located in the top right corner. The main content area features a large blue heading 'GUARANTEED CAR FINANCE' and a sub-heading 'UNDERSTAND HOW TO QUALIFY FOR CAR FINANCE' in red. Below this, there is a paragraph of text and a bulleted list of criteria for car financing.

**GETAPPROVED** SEARCH:

CAR FINANCE BOAT FINANCE EQUIPMENT FINANCE PROPERTY FINANCE MOTORCYCLE FINANCE CARAVAN FINANCE

## GUARANTEED CAR FINANCE

Wed, 04/04/2012

### UNDERSTAND HOW TO QUALIFY FOR CAR FINANCE

First things first, you need a clear idea in your head of what it takes to **get approved** for a car loan. Too many loan applications are rejected because the applicants didn't understand what was required of them. In no particular order, these are the essential criteria you'll need to satisfy before you can finance your new car:

- You have a sufficient income to afford regular repayments on your car loan.
- You are not burdened by an excessive amount of personal debt, which could affect your ability to meet your repayments.
- You have a good credit history, which means that you have not defaulted on loans or experienced severe financial difficulty in the past.

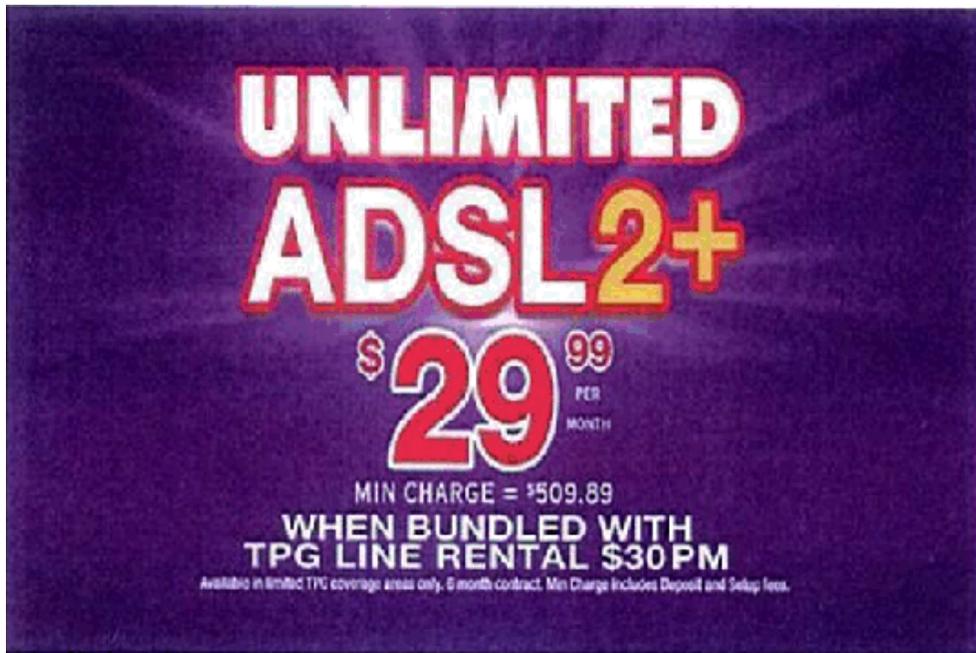
### CHOOSE YOUR CAR FINANCE WISELY

Your choice of car loan will have a significant impact on your likelihood of getting approved. If you try to borrow more than you can really afford, you greatly diminish your chances of finding a lender. Make an honest assessment of your financial situation before you apply for a loan, and keep your aspirations realistic. Borrowing within your means is the safest way to guarantee both your **car finance** loan and your financial security.

# Example 5: TPG Internet Pty Ltd

## High Court reinstates \$2m penalty against TPG

Advertisement 1: Freeze pane from TV advertisement



Advertisement 2: Website advertisement



# Example 6: iiNet Ltd

## iiNet Ltd pays \$204,000 in penalties following ACCC infringement notices for Naked Broadband Plan advertisements

Advertisement 1: Tram advertisement



Total minimum price appears here: \$1758.75 (including \$79.95 connection fee)

Advertisement 2: Outdoor billboard advertisement



Total minimum price appears here: \$1758.75 incl \$79.95 connection fee

# Example 7: Equanimity Concepts Pty Ltd

[15-043MR Equanimity penalised for misleading ads](#)

Advertisement: Magazine advertisement



**BUY AN INVESTMENT PROPERTY AND PAY FOR IT LATER! OR PAY OFF YOUR 25 YEAR HOME LOAN IN LESS THAN 5 YEARS! Better still... do BOTH!\***

**Yes, it IS possible!**

If you are like most of the people on this planet, you have little or no plans for your financial future. Why?

Too busy? Don't know much about finance? Scared of making the wrong decision?

So. You just sit on your hands and do nothing, hoping for the best...

BUT! There IS a better way!

Let us put our 27 years of experience to work working for YOU.

We do pretty much everything, freeing you up to do what YOU do best. That's a win-win situation.

Call us today. Or, check out our website. You will be surprised by what we can do for you!

Phone: 1800 263 980  
www.eqc.com.au



**equanimityconcepts**  
Turning your common "cents" into dollars

\*The above scenario is based on the actual experience of many of our clients. Actual results may vary, depending upon your specific financial circumstances. Equanimity Concepts Pty Ltd holds Australian Financial Services Licence No. 388752.

# Example 8: Media Super Ltd

## 14-001MR Media Super pays infringement notice in relation to superannuation advertising

Advertisement: Factsheet (also published on website)

## Self-managed super? You be the judge.

Self Managed Superannuation Funds (SMSFs) are now regularly in the media with members facing constant advertising from accountants, tax advisers and financial planners eager to set you up in a DIY super fund.

On face-value, it may seem simple and attractive. Time, costs and personal liability are among the key issues that you need to consider if you want to become a Trustee.

Before making any decisions be sure to do your research. To personally

manage your super, you will be assuming complex responsibilities that demand high levels of commitment and skill.

**Take a few moments to read the table below in order to help you decide whether an SMSF is right for you.**

Self Managed Super Fund (SMSF)	Media Super
<p><b>A low balance is risky. A large balance is just the start</b> ?</p> <p>There isn't a legal minimum to starting a SMSF, but simply to break even on some costs compared to Media Super (an APRA<sup>1</sup> -regulated fund), you would need an opening balance of at least \$250,000<sup>2</sup>. Other estimates of the minimum balance you would need to gain a benefit from starting an SMSF range up to \$1 million<sup>3</sup>.</p>	<p><b>You don't need a large balance</b> ✓</p> <p>With Media Super, it doesn't matter what your balance is – small, medium or large. There are no start-up costs with accountants or tax agents. You can mix and match your options, and still benefit from a diversified range of investment portfolios.</p>
<p><b>Can you afford it?</b> ?</p> <p>It can cost around \$1,700<sup>4</sup> each year to run a medium-sized DIY super fund. However, it may often cost more, depending on the fees and charges of the professional accounting services and tax, audit and legal advisers you may need to help run your SMSF. Investment fees can add a further round of annual costs.</p>	<p><b>Low administration and investment fees</b> ✓</p> <p>Media Super (like other industry super funds) has low investment and administration fees. The Fund operates on an 'all profits to members' basis, with an emphasis on keeping direct and indirect costs as low as possible. The administration cost each year for a member is \$65.</p>
<p><b>The risk is yours</b> ?</p> <p>As the Trustee of your fund, you are legally liable for all decisions and actions that the fund makes. Even if you have received incorrect advice from professionals, you are still the one who will be held responsible should anything go wrong<sup>5</sup>.</p>	<p><b>We take care of everything – no liability risk</b> ✓</p> <p>You don't need to worry about personal liability. Media Super is responsible for ensuring that the Fund meets every legal and regulatory requirement.</p>
<p><b>It takes your time to manage</b> ?</p> <p>You will need to allocate at least a couple of hours every week to actively manage the legal and administrative requirements of operating your fund<sup>6</sup>.</p>	<p><b>We take the time</b> ✓</p> <p>Media Super looks after all the management details of your account. You have the flexibility to review your options, or change your investment mix or benefits with a simple phone call.</p>
<p><b>No added extras</b> ?</p> <p>An SMSF must meet the 'Sole Purpose Test'<sup>7</sup> and be operated purely to provide retirement benefits.</p>	<p><b>Extra benefits provided</b> ✓</p> <p>Media Super members benefit from low-cost insurance and income protection, financial advice, home loans and banking products.</p>
<p><b>No compensation</b> ?</p> <p>If you lose money due to fraud, you will not be eligible for any special compensation, unlike members of super funds regulated by APRA<sup>8</sup>.</p>	<p><b>Compensation available</b> ✓</p> <p>If Media Super is the subject of fraudulent or criminal activities resulting in loss on investments, compensation will be available to recover losses.</p>

Appendix B

# Breach Identification Examples: Breaches of Specific Requirements



# Breach Examples

## Example 1

**ABC Mortgage Services**

ACL 389766  Breach 2

Talk to an expert today!

Own your home sooner ... Get a home loan from as little as \$50/week

 FIND OUT MORE

**9556 3624**

[www.abcmortgages.com.au](http://www.abcmortgages.com.au)

Breach 3  
Breach 4  
Breach 5

## Example 2

**WINTER BONUS BONANZA**

**This weekend only**

1.7% per annum finance

	
3 <u>door</u> from <b>\$19,990</b> drive away	5 door from <b>\$23,990</b> drive away

**SPECIAL DRIVE AWAY DEALS**

New Vehicles / No Deposit / Lots of Extras

1.9% p.a. Comparison Rate Finance across the entire range

 WHILE STOCKS LAST

**ABC CAR YARD**

Cnr Mountain Highway and Victoria Road,  
Thomastown NSW 2054

**1300 223 057**

Breach 5  
Breach 7

# Breach Examples

## Example 3

**EOFY DEALS**

**2.9%\* COMPARISON RATE FINANCE**

	
3 <u>door</u> from <b>\$19,990</b> drive away	5 door from <b>\$23,990</b> drive away

WHILE STOCKS LAST

**XYZ DEALERSHIP**  
**226 Princes Highway**  
**Mornington, VIC 3218**

\*2.9% comparison rate for approved personal applicants. Maximum term 36 months. **WARNING:** This comparison rate is true only for the examples given and may not include all fees and charges.



Breach 6