

2 September 2019

Our ref: LP-WD+KS

Australian Securities & Investments Commission
GPO Box 9827
Brisbane Qld 4001

By email: unsolicited.sales@asic.gov.au

Dear Consultation team

ASIC consultation paper CP317 - Unsolicited telephone sales of direct life insurance and consumer credit insurance

Thank you for the opportunity to provide comments on ASIC consultation paper CP317 "Unsolicited telephone sales of direct life insurance and consumer credit insurance."

The Queensland Law Society (**QLS**) appreciates the opportunity to participate in this consultation.

QLS is the peak professional body for the State's legal practitioners. We represent and promote over 13,000 legal professionals, increase community understanding of the law, help protect the rights of individuals and advise the community about the many benefits solicitors can provide. QLS also assists the public by advising government on improvements to laws affecting Queenslanders and working to improve their access to the law.

This response has been compiled by the QLS Banking and Financial Services Law Committee and the Competition and Consumer Law Committee whose members have substantial expertise in this area.

With respect to the consultation drafts we raise the following:

QLS broadly supports a proposal to ban unsolicited telephone sales of direct life insurance and consumer credit insurance when sold with general advice or no advice.

QLS acknowledges that some sales of life insurance and consumer credit insurance by telephone may be of benefit to a consumer. However, when there is structural inequality between providers and consumers, there is no true freedom of contract and regulatory intervention is justified to ensure consumer protection.

QLS notes the evidence outlined in the ASIC Reports from 2011, *Consumer credit insurance: A review of sales practices by authorised deposit taking institutions* and in 2019, *Report Consumer credit insurance: Poor value products and harmful sales practices*, investigating consumer credit insurance.

These are complex products and the inequality of information between the sellers and buyers is exacerbated by telephone selling.

Unsolicited telephone sales of direct life insurance and consumer credit insurance

However, the drafting of such a ban will need to be carefully crafted to ensure that it does not have unintended consequences, for example, in circumstances where a consumer initiates telephone contact with a provider and an insurance product is appropriately offered in this context.

This review is an opportunity to debate the appropriateness of offering complex products by telephone and QLS welcomes this opportunity as part of the further consultation on the detailed drafting. Ultimately, the types of product which can be offered over the phone and under what circumstances, will need to be balanced with fair and proper consumer protection.

QLS notes the proposal, identified in the consultation paper, to consult on the possible draft instrument and looks forward to the further consultation in this regard.

If you have any queries regarding the contents of this letter, please do not hesitate to contact our Legal Policy team, by phone on (07) 3842 5930 or by email to policy@qls.com.au.

Yours faithfully



Bill Potts
President