



ASIC
Australian Securities &
Investments Commission

Safeguarding super: How well are platform trustees monitoring risks to retirement savings?

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About this report

We reviewed six superannuation platform trustees to see how they monitored potential risks to retirement savings. This report outlines key findings and actions trustees can take to improve how they monitor financial advisers, advice licensees and investment options to safeguard members' superannuation.

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Executive summary

This report outlines ASIC's observations following a review of how superannuation trustees monitor available data to safeguard members' retirement savings. It provides observations of better and poorer practices from our assessment of six superannuation trustees operating in the platforms segment (platform trustees) over the period from 1 June 2024 to 31 October 2025 (data period). The reviewed trustees are responsible for 72% of platform trustees' member benefits.

Trustees have access to a wealth of data, which should be used to provide early insights and warning signals about potential risks to members. While we saw some pleasing examples of uplift since our previous reviews on these issues, we were overwhelmingly disappointed with the lack of progress in key areas. These included trustees' oversight of advice fee deductions and fee-related conduct, and monitoring of holding limits and options on their investment menus. Overall, our review found that trustees are still not doing enough to protect members from harmful advice fee deductions and inappropriate investments on their platforms.

These issues concern all participants in the superannuation sector. However, recent high-profile cases of misconduct involving the Shield Master Fund (Shield) and First Guardian Master Fund (First Guardian) have exposed particular weaknesses in parts of the platforms segment. These concerns, together with the extraordinary growth in platform member benefits and advice fees charged from superannuation platform accounts over the past 10 years, were the key motivating factors for our review.

Trustees' legal obligations

Trustees have a range of legal obligations. For instance, they must provide financial services efficiently, honestly and fairly under s912A of the *Corporations Act 2001* (Corporations Act). They must also comply with the covenants in s52 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act). These covenants include a legal obligation for trustees to exercise their duties in the best financial interests of beneficiaries (members).

Trustees also have specific obligations regarding their oversight of advice fee deductions under s62, s99F and 99FA of the SIS Act. For instance, trustees can only charge advice fees for personal (not general) advice relating to members' superannuation and if the member has given written consent in the case of individual advice to the member. Further relevant obligations are contained in Australian Prudential Regulation Authority (APRA) Prudential Standard [SPS 515 Strategic planning and member outcomes](#) and Prudential Standard [SPS 530 Investment governance](#).

Why we focused on platform trustees

Platform products are complex, offering thousands of different investment options of varying levels of risk, concentration and liquidity. Due to this complexity, they are generally only available to investors with an adviser. Subject to various conditions, advisers can charge fees for personal advice directly from members' accounts. Advice fee deductions are not limited to platform trustees. However, trustees of platform products set relatively higher advice fee caps to allow for the more complex nature of the advice required. This can also make it easier for excessive fees to be charged, relative to the service provided.

Like all superannuation trustees, platform trustees are responsible for overseeing the activities of advisers and advice licensees who provide services to their members. This includes setting fee caps and monitoring activity, but they also rely on advisers to drive new business. This creates tension between growing platform membership and acting in members' best financial interests. We are concerned that some platform trustees may be prioritising their relationships with advisers, at unacceptable risk to members' retirement balances.

This is not a new area of focus for ASIC. For a number of years, ASIC and APRA have been concerned about gaps in trustees' oversight of advice fees and investments that are made available to members. We raised these concerns in joint letters in 2019 and 2021: see [ASIC and APRA publish joint letter on superannuation fees](#) and [APRA and ASIC release letter to trustees on oversight of advice fees charged to members' accounts](#).

The letters followed troubling conduct, such as fees for no service that was highlighted in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. In May 2024, we published Report 781 *Review of superannuation trustee practices: Protecting members from harmful advice charges* ([REP 781](#)). Other work to address misconduct and poor practice in this area includes enforcement, reviews, consumer education and media campaigns.

Despite this work, and with few exceptions, progress has been too slow. We were particularly concerned that in feedback meetings with trustees, a small number of accountable senior executives did not know what advice fee caps and other controls were in place on their platforms. Trustees' senior executive teams should have access to timely, accurate and targeted reporting on advisers and advice licensees. This includes oversight of advice fee deduction and switching behaviour, to satisfy themselves that they are complying with their [Financial Accountability Regime](#) obligations.

The fundamental role of a superannuation trustee is to safeguard members' savings. As more Australians approach retirement and seek advice to support good retirement outcomes, trustees must urgently improve their monitoring, or risk undermining confidence in the sector.

What are inappropriate switching business models?

ASIC has long called for superannuation trustees to engage with their members to help them become more confident and make informed choices about the right superannuation fund for them. This can – and should – result in members switching to account types or funds that better suit their needs.

In contrast to these healthy consumer choices, ASIC is concerned about 'inappropriate superannuation switching', whereby people are encouraged or pressured by an adviser to switch their superannuation balance from an existing fund into a different fund or a self-managed superannuation fund (SMSF) for little to no benefit to themselves. In these cases, the member's superannuation is sometimes invested in a platform product, where it may be easier for advisers to charge excessive advice fees, leading to balance erosion. Sometimes, advisers purchase 'leads' from firms engaging in lead generation. These lead generators facilitate advisers by targeting a large number of members and conducting a significant proportion of advice on their behalf, despite frequently not being licensed to do so. These models often result in members receiving 'cookie-cutter' advice that does not consider their individual objectives, financial situation and needs.

In the most egregious examples, advisers may recommend investments that are unnecessarily high-risk, illiquid or complex. These models can lead to significant consumer harm, including losses to retirement savings. The Shield and First Guardian matters were examples of this.

We are also concerned about cases where the superannuation products recommended are less risky, but the advice provided is inappropriate, unnecessary or overly expensive, and the fees lead to balance erosion.

OUR REVIEW



Six trustees
reviewed



\$2.56 billion
in advice fees



720,000
advised members



Over **2,580 checks** of
advice documents were reported
with **nearly 250 adverse findings**



Trustees reported monitoring
between **one** and **45 indicators**

ADVICE FEES CAPS

Percentage-based fee caps
ranged from
1.66% to 10%

Three trustees
**did not set
an upper limit**

The highest dollar-based
fee cap was **\$25,000**

Although one trustee
aimed to implement
a **\$30,000 cap**

All except one trustee permitted some **advice fee deductions** for low-balance members

ADVICE DOCUMENT CHECKS



One trustee performed **just 21 advice checks**, of which **75% had adverse findings**



Three trustees **did not conduct any checks** for **at least one month**

ONBOARDING

Four trustees made enquiries to determine
if **third-party referral sources** are used to
acquire new clients

Three trustees performed site visits or other
engagement activities to **better understand** an
advice licensee's business model

MONITORING FEES AND INVESTMENT FLOWS

Four trustees applied holding limits,
however, only **two trustees** reported also
monitoring holding limits

Between 0% and 95% of all monitoring was
fully manual, leaving it vulnerable to
human error

What concerns us

While some trustees performed materially better in one or more areas, all had significant room for improvement in their monitoring to protect their members' retirement savings. Key issues we observed were:

- › **Gaps in advice fee cap controls.** With few exceptions, advice fee caps were too high and poorly designed. The highest dollar-based advice fee cap reported was \$25,000. Concerningly, one trustee was planning to implement an even higher fee cap of \$30,000, which is more than the highest cap of \$20,000 identified in [REP 781](#).

Some percentage-based fee caps or thresholds were also too high, and three trustees did not have an upper dollar-based limit on what could be charged. This approach can enable very high deductions against larger balances.

- › **Poor low-balance member protections.** One trustee required a \$20,000 minimum balance before an advice fee could be deducted, and another implemented additional protection for all account balances below \$100,000. The remaining trustees failed to adequately protect low-balance accounts from balance erosion.
- › **Limited checks of advice documents.** With few exceptions, trustees did not perform enough checks, and some did not follow up when they had high rates of adverse findings. Three trustees did not conduct any checks for at least one of the months in our review period.
- › **Not enough focus on business models during onboarding.** While trustees do conduct onboarding due diligence of advisers and advice licensees, there was insufficient focus on advice licensees' business models, including whether they use lead generators or other third-party referral sources.
- › **Inadequate monitoring of advisers, advice fees and investment flows.** Trustees reported inadequate oversight of key risk indicators, such as holding limits, which were only monitored by two trustees in our sample. Trustees also paid insufficient attention to member churn, patterns in fees, and unusual fund flows.

Watchlists were widely used, but some lacked clear triggers for escalation or action. Complaints data was also underused. Some trustees over-relied on staff discretion and manual processes, which increased the risk and incidence of human error.

Most trustees reported monitoring a large number of red flags and indicators. However, some trustees were narrowly focused on specific topics, such as anti-money laundering or counter-terrorism financing issues, which are important monitoring controls but less helpful in monitoring for inappropriate switching business models or excessive advice fees.

Call to action and next steps

Throughout this report, we identify examples of better practice and principles for strategic monitoring that can help trustees to better protect their members' retirement savings, based on our observations from our reviews. These examples and associated actions are listed in Table 1. We urge all trustees, including non-platform trustees, to review their current practices against this list.

Where trustees have concerns about inappropriate switching activity or potential misconduct, they should urgently report it to ASIC for further investigation. This includes where trustees observe unusual or concerning patterns in members switching away from their fund (for example, by reviewing third-party authority data). Trustees should also make use of industry forums and other available channels for sharing information with other trustees to quickly disrupt inappropriate switching business models.

How trustees can improve monitoring to protect their members

Table 1: Focus areas and calls to action for trustees

Focus area	Call to action
Fee caps	<ul style="list-style-type: none"> › set and monitor fee caps based on an appropriate cost of advice and trustee risk appetite › review processes where fee caps are permitted to be exceeded › periodically review fee cap controls to ensure they remain appropriate, and › simplify advice fee labels for clarity, avoiding repetition for similar services.
Low-balance member protections	<ul style="list-style-type: none"> › set appropriate minimum balance requirements to deduct advice fees, and › review low-balance member protections against the initial or minimum investment amounts in relevant target market determinations (TMDs).
Sampling advice documents	<ul style="list-style-type: none"> › review prompts or thresholds for risk-based checks › complement risk-based sampling with a consistent random sampling program › set a minimum number of checks to be done each month, and › determine an 'adverse finding' and level of tolerance. Follow up adverse findings through further sampling and remedy the concern.
Onboarding advisers and advice licensees	<ul style="list-style-type: none"> › incorporate questions and processes to identify unusual activity (e.g. how new clients are sourced), and › meaningfully engage with advice licensees prior to onboarding advisers. Do not overly rely on attestations.
Monitoring advisers and advice licensees	<ul style="list-style-type: none"> › maintain a watchlist of advisers and advice licensees of concern › review processes to remedy or remove advisers and advice licensees on the watchlist › monitor the number of members linked to an adviser and any trends in the rate at which they cease to be advised members › regularly review ASIC's registers, including the Financial Advisers Register › monitor members' complaints and expressions of dissatisfaction, including withdrawals of consent and ongoing consent not being renewed, and › report any concerns to ASIC.
Monitoring fees, investment and member flows	<ul style="list-style-type: none"> › monitor advice fees for patterns or irregularities, including those designed to bypass controls › investigate spikes in new members joining with specific advisers or advice licensees › monitor unusual flows into or out of investment options › set, monitor and enforce member investment holding limits, and › use objective, measurable and automated indicators for potential member harm where possible.

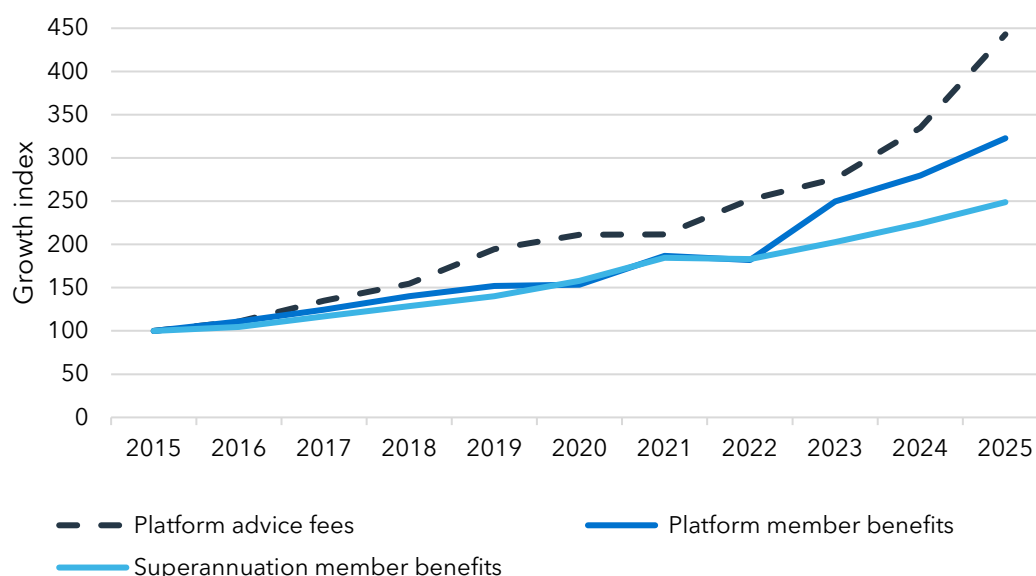
The growing platforms segment

Platforms play a unique role in Australia's superannuation system. For members seeking greater control over their investments, platforms provide a much broader range of options than traditional (non-platform) products. They also retain key regulatory obligations, including regulation and oversight by APRA and ASIC, and their members can access the Australian Financial Complaints Authority (AFCA) for disputes.

As at December 2025, platforms were responsible for \$424 billion in superannuation member benefits – just 14% of the total superannuation sector. However, over the past decade, platforms have seen significant growth: see Figure 1.

Superannuation platform member benefits more than tripled between June 2015 and June 2025 from \$123 billion to \$396 billion, accelerating faster than the sector total in recent years, which more than doubled. Advice fees charged from superannuation platforms increased even more, growing more than four-fold from \$0.5 billion to \$2.3 billion.

Figure 1: Growth in advice fees and platform member benefits (indexed to 100)



Source: APRA (2025) Annual fund level superannuation data and ASIC calculations.

Note: The data for platform member benefits and platform advice fees covers 29 current superannuation funds as at December 2025 plus former superannuation funds, where the majority of member benefits were invested in products on a platform menu. See Table 2 for the data shown in this figure (accessible version).

Advisers are the primary distribution channel for platforms and have driven this growth by increasingly recommending superannuation rollovers (switches) into platform products. Some trustees in the platform segment have developed innovative retirement offerings, which partially explains this shift. Advisers recommend platforms for a range of reasons, including lower set-up costs than an SMSF and convenience, since they take care of tax reporting, compliance and other administrative tasks.

However, we have concerns that some advisers and advice licensees have been attracted to platforms due to the higher relative fee caps set by platform trustees. We have seen examples of unscrupulous advisers taking advantage of platform trustees' settings to extract excessive fees from members without commensurate benefit.

Oversight of advice fee deductions

Previous guidance

Trustees' oversight of advice fee deductions should include advice document checks sampled on both a risk and random basis.

Trustees should set fee caps, which should be at an appropriate level and structure for their membership, particularly for low-balance members.

Advice fee labels should be simple, reflect the underlying nature of the fee paid, and be clearly distinguishable from other fee types.

Effective trustee oversight of advice fee deductions includes a robust process to proactively check a sample of advice documents. This goes beyond checking for valid member consent. The sample should include advice documents chosen on both a risk and random basis.

Advice checks should confirm the provision of a financial service and that the advice is consistent with the sole purpose test. This includes monitoring for potential fees for no service and instances of 'cookie-cutter' advice. Trustees and advisers should already have arrangements in place to address any privacy concerns. We do not expect trustees to determine the quality, value or appropriateness of individual advice documents.

Trustees should set fee caps to safeguard against inappropriate balance erosion. They should review their fee caps and go beyond peer comparisons to form a view on the appropriate cost of advice that meets their members' superannuation needs. This includes consideration of ways to protect low-balance members, such as separate fee cap structures or setting a minimum balance requirement for an advice fee deduction.

A robust process should be in place for trustees to consider exceptions to their own fee caps and controls. Trustee discretion should only be used in limited circumstances.

Trustees should be able to demonstrate how each type of advice fee deduction it permits serves a necessary purpose. Labels should be self-explanatory and reflect the underlying nature and frequency of the fee paid.

Note: See [REP 781](#), ASIC and APRA's 2019 [joint letter](#) and 2021 [joint letter](#) to trustees, and APRA's 2025 [letter](#) to platform trustees for further details.

Our findings in this review

Not enough advice document checks

Despite our previous guidance, trustees reported insufficient advice document checks. All six trustees reported checks. However, **three** trustees reported at least one month where **no checks** were undertaken. One trustee only reported checks in four of the 17 months of our data period.

We were particularly concerned that **only two trustees reported random sampling**. The trustee who reported the second-highest number of checks was also the only trustee to report consistent random sampling throughout the data period. However, they failed to perform any risk-based checks.

Platform trustees reported **over 240** adverse findings from their checks. This represents nearly **10%** of all checks performed. Adverse findings rates ranged from **3%** to **75%**. We found trustees with higher rates of adverse findings performed the least checks: see case study 1.

Case study 1: Strategic risk criteria for advice checks

One trustee performed just 21 risk-based advice checks over the entire data period and reported an adverse findings rate of 75%. High adverse findings rates such as these may imply that the trustee was simply confirming adverse findings they were already aware of, rather than undertaking a methodological program of risk-based checks.

Better practice example

Trustees should use appropriate risk criteria to identify targets for a regular program of risk-based advice checks. Where adverse findings rates are high, trustees should update the risk criteria and conduct more checks until the adverse findings rate reduces to a level that is acceptable to the trustee.

Fee caps were still too high and too flexible

To manage advice fee deductions, **five trustees** reported using fee caps. All trustees with fee caps reported that they could be exceeded in limited circumstances. The remaining trustee monitored for fees above certain thresholds, reviewing some advice documents in those instances.

For dollar-based fee caps, we were disappointed to identify one trustee had a fee cap of **\$25,000** and another reported seeking approval to implement a fee cap of **\$30,000**. These caps are higher than those we identified in [REP 781](#) two years ago. The remaining trustees reported dollar-based caps below \$20,000.

Percentage-based fee caps ranged from **1.66%** up to **10%** (for a one-off fee, with a dollar-based upper limit). For half of the trustees in our sample, their percentage-based fee caps or thresholds had no dollar-based upper limit. This means that where balances were very large, permitted advice fees could be excessive in dollar terms. For example, a 2.2% fee on an account balance of \$1,500,000 would be a potential advice fee of \$33,000, without breaching any caps.

Large balances add complexity to superannuation advice, but only to a certain extent, since a trustee must ensure that advice fees charged against a member's superannuation interest are consistent with the sole purpose test. This means that the advice must relate to the member's interest in the fund.

We are concerned at how the fee caps were designed and enforced. Very high fee caps allow a subset of advisers or advice licensees to push the limits on advice fees, particularly where there are gaps in trustee controls: see case study 2.

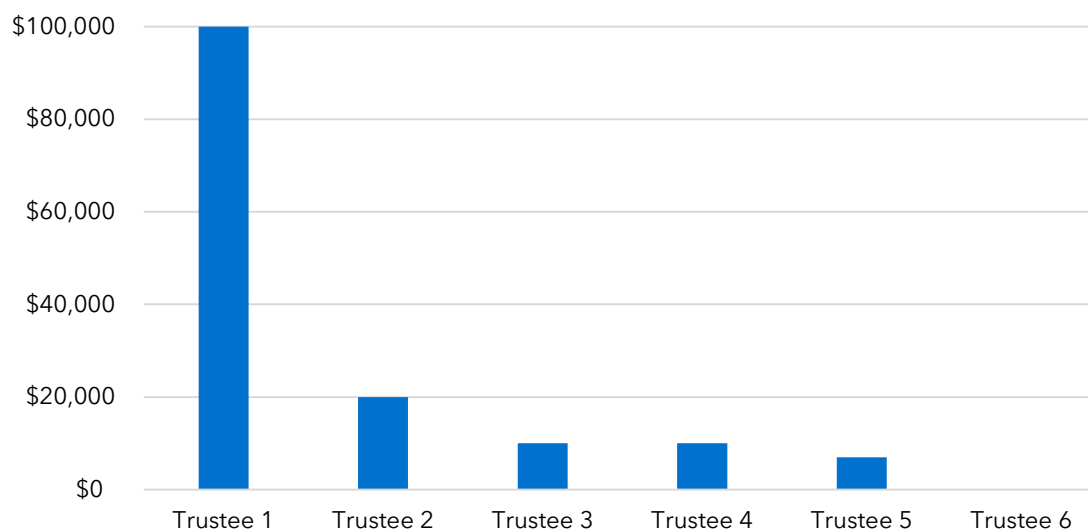
Low-balance protections needed more consideration

Most trustees reported some form of low-balance member protection: see Figure 2.

Several trustees reported low-balance protections related to administration and investment fees, rather than advice fees. However, these were generally just superannuation trustees' legal

obligations under the *Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019*. Five trustees did not have a minimum balance requirement, and therefore permitted advice fees to be charged to accounts with balances at or below \$20,000, although sometimes at a lower rate or with additional protections: see Figure 2.

Figure 2: What trustees considered a low balance for the purpose of trustee protections



Note: Trustees are sorted by the level they apply their low-balance protections, from highest to lowest. Trustee 6 reported no additional protections against inappropriate advice fee deductions for low-balance members. See Table 3 for the data shown in this figure (accessible version).

Only one trustee reported a minimum balance requirement (\$20,000) before an advice fee could be charged. Setting a minimum balance for advice fee deductions is better practice; however, we query whether \$20,000 is still too low. By contrast, another trustee imposed additional protections for all advice fees deducted from accounts with balances below \$100,000 (although they lacked equivalent oversight in other key areas).

Some trustees noted valid reasons for deducting advice fees from a low-balance account. For example, members might have converted most of their superannuation balance into the retirement phase while leaving a small amount in the accumulation phase to allow for future contributions, holding insurance cover, or managing tax outcomes.

In **better practice examples**, trustees considered the member's aggregated balance across account types before implementing low-balance protections.

Other trustees noted that members could have assets outside of superannuation. We remind trustees that advice fees charged against a member's interest in superannuation are subject to the sole purpose test.

We do not expect trustees to assess the appropriateness of individual advice documents. However, we urge them to consider their low-balance protections in the context of their TMD, particularly, the characteristics of the appropriate target market for their product, including the minimum account balance required.

Case study 2: Weak low-balance protections

Several trustees had percentage-based fee caps that were not subject to a lower bound. This resulted in very high proportionate fees for low-balance accounts.

For example, one trustee reported that it monitored ongoing advice fee deductions from balances below \$10,000. However, there was no corresponding monitoring for other fee types, such as one-off fees. Following our feedback, this trustee reported that it intends to broaden its monitoring to all fee types.

Another trustee capped some fees at a maximum of 10% of the account balance up to a dollar-based limit. The trustee also included a minimum fee, even where it was greater than 10% of the account balance. For an account balance of \$10,000, this approach permits a potential advice fee of over \$3,000, or nearly one-third of the initial account balance.

Better practice example

Trustees should set a minimum balance for advice fee deductions, where the minimum is aggregated across account types. The minimum balance should be determined based on factors including the fund's business model and target market.

Number of fee labels have reduced, but concerns remain

Most trustees reported two advice fee labels to distinguish between one-off and ongoing advice fees. However, two trustees used additional labels for similar services, where one outlined four separate fees that could potentially be layered on top of each other.

We urge trustees to protect their members by allowing fewer fee types, and by ensuring all fees are simple and easily distinguishable.

How trustees can further improve oversight of advice fee deductions

Implement a program of risk- and random-based sample checking

Risk-based checks are a targeted way of identifying issues of concern for the trustee, based on their data, intelligence and understanding of their onboarded advisers and advice licensees.

Trustees should determine a minimum number of risk-based and random checks to be performed, based on their risk appetite.

We urge trustees to conduct further checks when adverse findings are found. This ensures the underlying cause of the issue is identified and appropriately resolved.

Why conduct random checks?

A consistent, methodological program of random checks will give trustees a sense of how widespread any problems are. Trustees can track adverse findings rates from consistent random sampling to determine if changes in trustee oversight processes are improving outcomes. Random checks can also uncover issues that trustees had not identified through risk-based checks, which can help with calibration of risk criteria for risk-based checks.

Form a view on fee caps

Trustees should form a view on the appropriate cost of advice for their members and use that to inform the development of their fee caps. These should include an upper dollar limit, regardless of the size of a member's account balance.

Fee cap controls are not a set-and-forget task. Trustees should regularly review their fee caps, ensuring they are clear and appropriate. This includes any processes to review exceptions to the fee caps.

The review should test for potential gaps or vulnerabilities that may be exploited. Examples include proportionally high fees charged against low balances and percentage-based fees from larger accounts. These fee cap controls should be monitored and enforced: see 'Monitoring fees and investment flows' on page 21.

Enhance low-balance protections

Trustees with limited or weak low-balance protection controls are more likely to attract inappropriate switching business activity. Well-designed low-balance protections not only help to preserve member account balances but also disincentivise inappropriate switching of low-balance members and other harmful models.

Trustees should consider whether to permit advice fee deductions from members with relatively low balances, including by forming a view on what constitutes a low balance for the purpose of advice fee deductions.

This view should be formed using insights from member data, including total balances across both accumulation and pension phase accounts, and the initial or minimum investment amounts set out in their product's TMD.

Simplify fee labels

Trustees can streamline their oversight by having fewer fee labels. This provides greater clarity to members. It also reduces the risk of advisers layering advice fees for the purposes of extracting higher fees than warranted by the associated service.

Onboarding advisers and advice licensees

Previous guidance

Trustee practices should be preventative and interrogative when onboarding advisers and advice licensees and should occur as part of a robust assurance framework.

These processes include a reconciliation against ASIC's registers (such as the [Financial Advisers Register](#) and the [Banned and disqualified register](#)) and verifying the Australian financial services (AFS) licence authorisations of the advice licensee.

Trustees should use various resources when making their assessment. These include adverse media coverage, confirming the advice licensee's membership with AFCA and evidence of professional indemnity insurance, among others.

Onboarding processes should be inquisitive. Trustees gain information through a registration form, attestation or similar due diligence to better understand the advice licensee's business. This includes going beyond checklists to know how new clients are sourced.

Note: See [REP 781](#), ASIC and APRA's 2021 [joint letter](#) to trustees, and APRA's 2025 [letter](#) to platform trustees for additional guidance.

Our findings in this review

Interrogation lacking and human error evident

All trustees in our sample reported formal processes for checking an adviser's qualifications and authorisations. Some reported adviser background checks (such as adverse media) or verifying identification. Onboarding checks for advice licensees included confirmation of the ABN with GST registration and AFCA membership. Two trustees reported reviewing Financial Services Guides.

We found fewer controls to identify or interrogate potentially harmful business models.

Four trustees reported making enquiries to determine whether third-party referral sources were used to acquire new clients. **Three trustees** reported using ad-hoc site visits or engagement to better understand the licensee's business model.

Our review was limited to written responses provided by trustees and not the onboarding materials and processes they use. However, we were made aware of instances of human error in onboarding processes: see case study 3.

Case study 3: Onboarding errors and remediation

We identified a harmful advice licensee that was onboarded by four trustees in our review. Over \$1.6 million in advice fees were charged by this advice licensee, which targeted low-balance members.

Under this business model, the adviser allegedly targeted vulnerable consumers by recommending that they switch their superannuation to a platform fund. The adviser then charged excessive fees and loaned them back to the consumer, with interest.

Trustee 1

When onboarding, the advice licensee nominated to provide general advice only. However, deductions for general advice fees are not permitted. Due to human error, the advice licensee was onboarded to provide financial product advice. Over \$25,000 in fees were deducted. Following receipt of a complaint, Trustee 1 commenced an investigation and offboarded the advice licensee within two weeks. All fees were repaid with interest.

Trustee 2

Trustee 2 previously offboarded the advice licensee due to an adverse risk rating. Some months later, the advice licensee requested to be onboarded again, using a different name. Due to an error, the earlier offboarding information was not considered when the advice licensee was re-onboarded. Over \$1.2 million in advice fees were charged. Remediation for affected members is on a case-by-case basis.

Trustee 3

The advice licensee was onboarded by Trustee 3 without concern. Over \$200,000 in advice fees were charged. Some months later, Trustee 3 received concerning intelligence about the adviser and took action to offboard them. All advice fees charged were refunded. Individuals seeking to rollover into the fund following the adviser's advice were contacted by Trustee 3 to determine whether they wished to continue joining the platform. Trustee 3 also received member queries and expressions of dissatisfaction, but on review, acknowledged they should have been treated as complaints.

Trustee 4

The advice licensee made two attempts to be onboarded with Trustee 4. The first attempt failed as they applied for a general advice model, which was not permitted. The second attempt failed as information did not match the [Financial Advisers Register](#). The matters were resolved and onboarding completed.

Trustee 4 later received intelligence from another organisation. Within a week, advice fees of over \$200,000 were suspended. After two weeks, advice fees were reversed. The adviser was offboarded by the trustee two weeks later.

How trustees can improve onboarding of advisers and advice licensees

Go beyond checklists

Onboarding an adviser or advice licensee onto a platform goes beyond relying only on a checklist or attestation from the advice licensee. Instead, trustees should actively interrogate the business model. This includes genuine engagement with the licensee at the time of onboarding.

Onboarding vigilance does not stop once an adviser or advice licensee is onboarded. It also includes ongoing monitoring of indicators, such as fee flows and member growth, to ensure they align with the earlier attestations made. Unexpected deviations should be investigated further. Trustees should also consider what factors might lead them to pause advice fees or new business for that adviser or advice licensee.

Remove or reduce discretion and human error

Where possible, trustees should use objective criteria when onboarding an adviser or advice licensee. Uplifts should consider ways to remove or reduce human error and discretion, although fully automated processes should be subject to regular human review.

Use other sources of information

Other sources of useful information for trustees to consider include the advice licensee's external dispute resolution (complaints) data and reviewing earlier examples of advice given.

Monitoring advisers and advice licensees

Previous guidance

Trustees should have appropriate processes to ensure adequate oversight of advisers and advice licensees authorised to deduct fees from their members' superannuation accounts.

This should include an active watchlist of advisers and advice licensees of concern, and those offboarded by the trustee.

Trustees should monitor advisers and licensees for any areas of concern, using indicators such as complaints, rapid business growth, and multiple instances of high advice fees.

Trustees should also frequently monitor ASIC's [Financial Advisers Register](#), as advisers with poor conduct may move rapidly between advice licensees or Corporate Authorised Representatives (CARs) of the same advice licensee.

Note: See [REP 781](#) and ASIC and APRA's 2021 [joint letter](#) to trustees for additional guidance.

Our findings in this review

Watchlists lacked clear action points

Nearly all trustees maintained a watchlist of advisers and advice licensees of concern, but their effectiveness varied significantly: see case study 4. We were most concerned where watchlists lacked clear triggers for escalation or action. In these cases, the watchlist became a holding point rather than a tool to support timely decision-making and action.

Case study 4: Watchlists but no action

One trustee described how they commenced a broader operational review of an advice licensee and placed them on a watchlist following the receipt of information about potentially unauthorised rollovers by one of the advice licensee's CARs. The CAR was also placed on a watchlist.

However, no further action was taken for another 13 months, during which time another CAR of that licensee submitted applications to rollover superannuation balances which contained falsified signatures of a deceased adviser.

At the time of our information request, CARs of that advice licensee were still operating on the platform.

Case study 4: Watchlists but no action (continued)

Better practice example

One trustee commenced an investigation immediately after receipt of information relating to unusual activity for another advice licensee. Within two weeks, the trustee had suspended all advice fees payable, refunded any fees already paid, and within two months, the licensee agreement was terminated.

Complaints data was underutilised

All trustees tracked complaints made to the trustee about advisers or advice licensees, but complaints data was sometimes underutilised. **One trustee** only monitored complaints about advice fees but not for other advice-related or adviser-conduct issues. Another trustee had processes that appeared reasonable but still failed to identify complaints relating to an adviser of concern, missing an opportunity to prevent member harm.

Examples of better practice included where trustees tracked the number of complaints raised against individual advisers and licensees and investigated when they reached a particular threshold.

No trustees reported tracking or investigating instances where members had actively withdrawn consent for advice fee deductions. Expressions of dissatisfaction, such as these, can serve as proxy complaint data. Only one trustee investigated advisers with an unusually high proportion of clients whose fee consents were not renewed.

Timeliness of other ongoing monitoring was variable

All trustees regularly reviewed ASIC registers, including the [Financial Advisers Register](#) and media alerts, to ensure the advisers are paid appropriately. However, there was variation in the timeliness of their reviews. Most trustees reviewed these registers at least monthly, although one trustee only checked the Financial Advisers Register annually, and another trustee was not clear about how frequently these checks were undertaken.

How trustees can better monitor advisers and advice licensees

Maintain an up-to-date watchlist with clear accountability and actions

Trustees should actively maintain a watchlist of advisers, CARs and advice licensees of concern. This includes those that have been offboarded and the reasons why. It is important to include monitoring at the adviser level, because advisers may rapidly move between licensees or CARs.

We also urge trustees to have clear and timely processes to remediate or remove advisers, CARs and advice licensees on their watchlist. All trustees, including non-platform trustees, should report any concerns to ASIC as a matter of priority.

Monitor complaints

Complaints are a valuable resource for trustees to understand the issues their members are having with onboarded advisers and advice licensees. This includes proxy complaints or expressions of dissatisfaction, such as withdrawn consent and ongoing consent that is not renewed.

Trustees should regularly review complaints and proxy complaints to uncover issues, including systemic issues and patterns against particular advisers or advice licensees. We are currently undertaking a review of trustees' practices in reviewing complaints data to detect systemic issues. Trustees should review our findings and guidance when they are released later this year.

Make use of public data

Trustees should monitor ASIC's published sources of information, such as the [Financial Advisers Register](#) and relevant media alerts. The [Financial Advisers Dataset](#), [AFS Authorised Representative Dataset](#), and [Banned and Disqualified Persons Dataset](#) are updated weekly, among others, and are found at data.gov.au.

We also encourage trustees to regularly check Moneysmart for our list of known entities involved in lead generation, those acting as referral partners, and advice licensees or CARs that have acquired leads: see [Lead generation and how it works](#).

Monitoring fees and investment flows

Previous guidance

Trustees should actively oversee advice fee deductions from members' accounts.

Trustees should also monitor flows into investment options to identify potential harms, including breaches of member holding limits.

Trustees are responsible for monitoring onboarded advisers and advice licensees, and the investment options made available to members.

This includes monitoring for patterns and irregularities in fees, business volumes or investment flows, such as breaches of member holding limits or concentrations of members advised by specific advisers or licensees in particular options, which may indicate 'cookie-cutter' advice.

Note: See [REP 781](#), ASIC and APRA's 2021 [joint letter](#) to trustees, and APRA's 2025 [letter](#) to platform trustees for additional guidance.

Our findings in this review

Manual monitoring and subjective thresholds led to human error

Four trustees reported at least one threshold that was unnecessarily subjective or relied on discretion in place of clear and objective thresholds: see case study 5. Thresholds are only helpful if they lead to clear action when the threshold is breached and the corresponding red flag is raised.

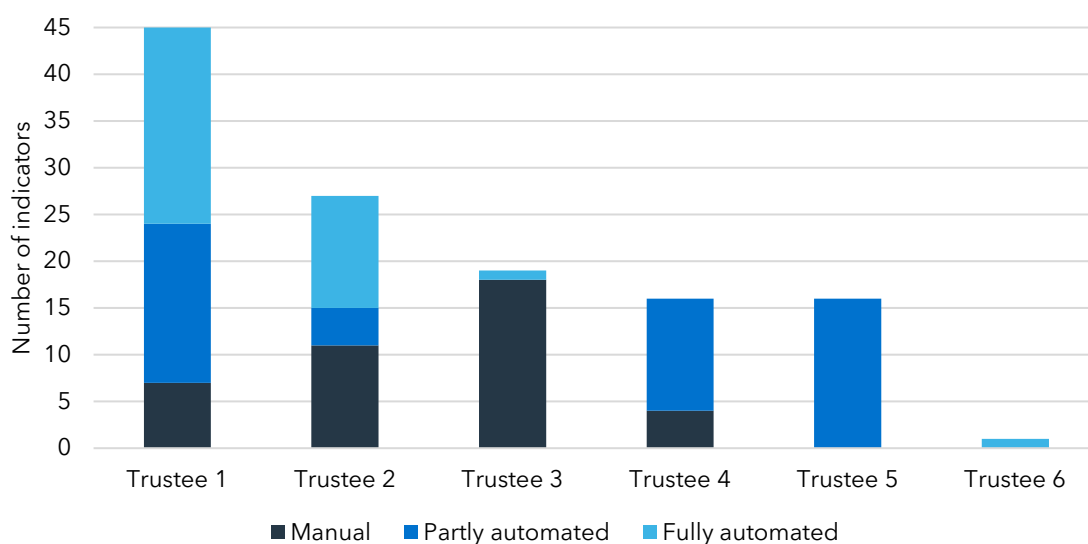
Typically, when a red flag is raised, it triggers further action, such as closer investigation, reporting or monitoring. In some cases, trustees reported that the thresholds they had set to flag an issue had never been reached, and so the red flag had never been raised. The proportion of red flags raised for each trustee ranged from **50%** to **100%**. Flags that have never been raised or thresholds that have never been breached are an indication that the thresholds, or the design of the flags themselves, are inappropriate for the risk being monitored.

We also observed an over-reliance on manual processes, which made monitoring vulnerable to human error. Manual monitoring accounted for between **0%** and **95%** of all monitoring across our sample: see Figure 3.

While a vast majority of advisers act in members' best interests and provide sound advice, an unscrupulous, convincing adviser could exploit trustees' staff and flexibility in processes or monitoring to gain access to members' superannuation. Concerningly, trustees reported several examples where human error had facilitated a lapse in their oversight, which may have been influenced by adviser conduct.

As better practice, one trustee had successfully automated almost all of its monitoring and supplemented automation with manual checks where thresholds were breached. This monitoring was reported as 'partly automated'. While the total number of indicators was relatively fewer than most other trustees, this particular trustee had better coverage of the different areas of risk: see 'Incomplete coverage of risk areas' on page 22.

Figure 3: Automation of monitoring



Note: This chart is sorted by trustees with the most to the least indicators. See Table 4 for the data shown in this figure (accessible version).

Incomplete coverage of risk areas

Indicators monitored by trustees generally fell into one of six categories:

- › investments, including holding limits
- › adviser conduct
- › advice fees
- › onboarding of advice licensees
- › advice licensee business models, and
- › low-balance member protections.

Some trustees focused their monitoring narrowly. For example, one trustee only **scrutinised** advice fees. Another reported a large number of indicators; however, they were narrowly focused on specific topics, such as anti-money laundering issues. Better practice examples included trustees with a strategic approach to monitoring. These generally considered fewer indicators (e.g. 15 to 20) but **covered a broader range of areas**, including but not limited to the six listed above.

Inadequate monitoring of member churn

Sharp or unusual increases in member flows to a particular adviser or advice licensee are a **key red flag for unusual activity**, since unscrupulous advisers often rely on high volumes to extract member funds. Monitoring new business activity can help identify member churn and unrealistic volumes of advice.

Despite the value of this indicator, we were concerned that **two trustees in our sample did not monitor new business activity at all**. Of the four trustees monitoring for new activity, one used thresholds that were too high: see case study 5. Another trustee did not set a fixed threshold for escalation, relying instead on its own discretion. As better practice, one trustee formed a view on what constitutes reasonable member flows, which helped to inform the design and monitoring of a threshold.

Case study 5: Poorly designed monitoring of member churn

One trustee monitored irregularities in the volume of new accounts by identifying advisers who had created 20 new accounts in the past month or had more than 500 clients currently under advice. Monitoring new account volumes is better practice, but the thresholds in this case were so high that the monitoring was ineffective.

When monitoring rollovers, a trustee ranked advice licensees by the proportion of rollovers from non-platform superannuation funds into their platform. The top '3 or 5' outliers were then selected for further investigation. No thresholds were set for this control. Instead, the trustee relied on discretion and a manual review of raw data to identify unusually large rollovers for further review.

Better practice example

One trustee flagged advisers with more than 150 ongoing or fixed-term agreements and advisers with 10 or more new members in two or more months out of the previous 12 months.

Poor monitoring of patterns in fees

Unscrupulous advisers may structure fees to bypass fee cap controls, resulting in **unusual or distinct patterns of fee deductions**. However, less than half of trustees monitored specifically for irregular patterns in advice fees, including charging patterns inconsistent with ongoing service, and fees charged to accounts with a high proportion of cash holdings.

Poor monitoring of holding limits and fund flows

In the most egregious cases of misconduct, such as those observed as part of the Shield and First Guardian matters, advisers channelled members into particular investments, leading to **distinct patterns in investment flows**. In these cases, some members lost their entire superannuation balance, because trustees failed to set, monitor or enforce holding limits.

Despite this recent example, only one trustee considered advice fee charges alongside investment flows. Additionally, while **four of the six trustees applied holding limits** for investment options on their platforms, **only two trustees reported monitoring their holding limits**.

Holding limits provide little protection to members, unless they are monitored and enforced effectively. These gaps in monitoring were particularly concerning given the central role holding limits play in insulating members from concentrated exposure to high-risk investment options.

Infrequent reporting

Most indicators were reported at least monthly. One trustee only assessed or reported most of its indicators on an annual basis for high-risk advice licensees, and less frequently for standard-risk licensees. Another trustee only reported annual checks of its advisers' registration statuses in ASIC's [Financial Advisers Register](#).

How trustees can better monitor fees and investment flows

Objective, automated monitoring

We urge trustees to take a strategic and methodological approach to monitoring, with robust, objective thresholds, and clear associated actions and accountabilities. This includes regular calibration across product distribution, monitoring, fee and other relevant thresholds to ensure they are consistent and reflect the trustee's risk appetite. Where possible, monitoring should be automated (with human oversight). Red flags should be reviewed and reported frequently.

Conduct pattern analysis on fund, fee and member flow

Inappropriate superannuation switching business models often exhibit distinct patterns in advice fees, member flows and fund movements. We urge trustees to monitor for these patterns, using pattern analysis and targeted thresholds as part of a comprehensive monitoring framework. This includes investigating unusual patterns in fees and fund movements, and **setting, enforcing and monitoring holding limits**.

All trustees, including non-platform trustees, should pay particular attention to patterns in member flows, **including flows away from the relevant fund**. We urge trustees to report unusual patterns in third-party authority data to ASIC (e.g. unusually high volumes of member switches processed by individual advisers).

Appendix 1: Review methodology

We reviewed a sample of six platform trustees and a corresponding fund to better understand how they use data to protect their members from excessive advice fee deductions and **inappropriate switching business models**. We also sought to understand trustees' uplifts in their oversight of advice fees following our release of [REP 781](#).

Platform trustees in our sample represent **\$305 billion** in member benefits and **977,000 member accounts** as at **December 2025**.

Over the data period, trustees reported **\$2.56 billion** in advice fees deducted from **720,000 advised members**. Over **2,580** checks of advice documents were reported with nearly **250** adverse findings. Trustees reported **124** monitoring indicators related to investment monitoring, adviser and advice fee monitoring, onboarding of advice licensees, advice licensee business models, low-balance member protections, and complaints.

Our review was a point-in-time assessment of the trustee data and responses to questions as at 31 October 2025. We did not review the underlying source documents, such as policies, procedures, advice documents or supporting evidence to corroborate the data. Our references to trustees may include findings or practices at a fund level.

Following the review, we met with all **six trustees**, to provide feedback on our observations and concerns. Some trustees reported further uplifts they have, or are planning to take, based on our action.

Appendix 2: Accessible versions of figures

Table 2: Growth in advice fees and platform member benefits (indexed to 100)

Year	Platform member benefits	Platform advice fees	Superannuation member benefits
2015	100	100	100
2016	111	111	105
2017	125	135	117
2018	140	154	129
2019	152	195	140
2020	153	211	158
2021	187	212	184
2022	182	252	183
2023	250	276	203
2024	280	335	224
2025	323	443	249

Source: APRA (2025) Annual fund level superannuation data and ASIC calculations.

Note: This is the data shown in Figure 1. The data for platform member benefits and platform advice fees covers 29 current superannuation funds as at December 2025 plus former superannuation funds, where the majority of member benefits were invested in products on a platform menu.

Table 3: What is considered a low balance for the purpose of trustee protections

Trustee	Balance at which protections apply
Trustee 1	\$100,000
Trustee 2	\$20,000
Trustee 3	\$10,000
Trustee 4	\$10,000
Trustee 5	\$7,000
Trustee 6	Not applicable

Note: This is the data shown in Figure 2 and is sorted in descending order. Trustee 6 reported no additional protections against inappropriate advice fee deductions for low-balance members. There is no correlation between the trustees listed in this table with the trustees listed in Table 4.

Table 4: Automation of monitoring

Trustee	Manual	Partly automated	Fully automated
Trustee 1	7	17	21
Trustee 2	11	4	12
Trustee 3	18	0	1
Trustee 4	4	12	0
Trustee 5	0	16	0
Trustee 6	0	0	1

Note: This is the data shown in Figure 3 and is sorted in aggregate descending order. There is no correlation between the trustees listed in this table with the trustees listed in Table 3.

Key terms and related information

Key terms

2019 joint letter	ASIC and APRA publish joint letter on superannuation fees , 10 April 2019
2021 joint letter	Further guidance on oversight of advice fees charged to members' superannuation accounts , 30 June 2021
advice documents	Documents prepared by, or on behalf of, an adviser or advice licensee evidencing the provision of financial product advice to a retail client
adviser	<p>A natural person providing personal advice to retail clients on behalf of an AFS licensee who is either:</p> <ul style="list-style-type: none">› an authorised representative of a licensee, or› an employee representative of a licensee <p>Note: This is the person to whom the obligations in Div 2 of Pt 7.7A of the Corporations Act apply.</p>
AFCA	Australian Financial Complaints Authority
AFS licence	<p>An Australia financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services</p> <p>Note: This is a definition contained in s9 of the Corporations Act.</p>
AFS licensee (or licensee)	A person who holds an AFS licence under s913B of the Corporations Act that authorises the person carrying on a financial services business to provide financial services
APRA	Australian Prudential Regulation Authority
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporate Authorised Representative	A body corporate authorised to provide a financial service on behalf of a licensee under s916A or s916B of the Corporations Act
data period	Data collected for the period from 1 June 2024 up to, and including, 31 October 2025
First Guardian	First Guardian Master Fund
financial product advice (or advice)	Has the meaning given in s766B of the Corporations Act
Financial Services Guide (FSG)	<p>A document required by s941A or 941B to be given in accordance with Div 2 of Pt 7.7 of the Corporations Act</p> <p>Note: This is a definition in s9</p>

member consent (or consent)	A member's written consent to deduct ongoing fees or non-ongoing fees from their superannuation account, in accordance with the relevant legislation
non-ongoing fee	See Information Sheet 280 FAQs: <i>Non-ongoing fee consents</i> (INFO 280)
ongoing fee	A fee payable under an ongoing fee arrangement
platform	A superannuation product that enables members to acquire securities or interests on an investment menu under a custodial arrangement (has the meaning given in s1012IA(1) of the Corporations Act)
platform trustee	A trustee that offers a platform to members and is responsible for the operation of a platform
REP 781 (for example)	An ASIC report (in this example numbered 781)
Shield	Shield Master Fund
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SMSF	Self-managed superannuation fund
sole purpose test	The obligation set out in s62 of the SIS Act
superannuation fund (or fund)	Has the meaning given in s101(1) of the SIS Act
superannuation trustee (or trustee)	A person or group of persons licensed by APRA under s29D of the SIS Act to operate a registrable superannuation entity (e.g. superannuation fund)
target market determination (TMD)	Has the meaning given in s994B of the Corporations Act

Related information

Headnotes

Advice, advice fee deductions, advice licensees, advisers, AFCA, APRA, Australian Financial Complaints Authority, Australian Prudential Regulation Authority, CARs, cookie-cutter advice, Corporate Authorised Representatives, dollar-based fee caps, fees, fee caps, financial advisers, holding limits, investment flows, investment options, low-balance account, low-balance protection, member benefits, member churn, misconduct, oversight, percentage-based fees, onboarding, platforms, platform accounts, retirement, rollovers, self-managed super fund, SMSF, sole purpose test, superannuation, switching, trustees

Legislation

Corporations Act 2001

Financial Accountability Regime Act 2023

Financial Sector Reform (Hayne Royal Commission Response No. 2) Act 2021

Superannuation Industry (Supervision) Act 1993

Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019

ASIC documents

[RG 36](#) *Licensing: Financial product advice and dealing*

[INFO 182](#) *Super switching advice – complying with your obligations*

[INFO 256](#) *FAQs: Ongoing fee arrangements*

[INFO 280](#) *FAQs: Non-ongoing fee consents*

[REP 779](#) *Superannuation and choice products: What focus is there on performance?*

[REP 781](#) *Review of superannuation trustee practices: Protecting members from harmful advice charges*

[REP 824](#) *Review of SMSF establishment advice*

APRA documents

[APRA calls for stronger action by platform trustees](#)

[SPS 515](#) *Strategic planning and member outcomes*

[SPS 530](#) *Investment governance*

ASIC and APRA documents

[ASIC and APRA publish joint letter on superannuation fees](#)

[Further guidance on oversight of advice fees charged to members' superannuation accounts](#)

[ASIC and APRA host superannuation CEOs to discuss high-risk superannuation switching](#)