

**Regulatory Reform Implementation (RRI) Team**

Australian Securities & Investments Commission (ASIC)  
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**PROPOSED UPDATE TO ASIC'S GUIDANCE ON ADVERTISING FINANCIAL PRODUCTS AND SERVICES**

Dear RRI Team,

The Mortgage & Finance Association of Australia (**MFAA**) welcomes the opportunity to comment on ASIC's draft Regulatory Guide 234 Advertising financial products and services (including credit) (**Draft RG 234**).

The MFAA is the peak body representing more than 16,000 mortgage and finance brokers in Australia. Our members are predominantly small businesses operating under either an Australian credit licence or as credit representatives of licensees. They play a critical role in helping consumers navigate complex credit products, understand costs and risks, and make better-informed decisions about home loans and business lending.

**OUR SUBMISSION**

Overall, the MFAA supports ASIC's objective of ensuring that financial and credit advertising does not make false or misleading statements or otherwise mislead or deceive consumers, and that advertising gives a balanced view of product features, benefits and risks.

Our detailed comments focus on how the Draft RG 234 can best support mortgage and finance brokers, aggregators and small credit licensees to comply, without creating unnecessary complexity or hampering legitimate, informative advertising that helps consumers compare options and access assistance.

**MFAA RECOMMENDATIONS****RECOMMENDATION 1: CLARIFY BROKER EXAMPLES IN THE RG**

Example 63, as currently drafted, does not reflect the operation of the best interests duty or ASIC's own guidance (Regulatory Guide 273) on its application. Under the best interests duty (**BID**), mortgage brokers are required to consider a range of products and, in practice, to assess and compare multiple loan options and presenting those options to the client, before making a

recommendation. ASIC's BID guidance contemplates that brokers will identify and assess at least three products that are likely to meet the consumer's objectives and requirements, typically drawn from a broad panel of lenders.

Stating that a broker "generally only considers one or two main lenders" does not reflect standard broker practice and does not align with the expectations set out in ASIC's BID guidance of what constitutes appropriate conduct under the duty.

We recommend ASIC update this example to reflect that brokers draw from a broad panel of lenders and consider multiple loan options as part of their best interests assessment. Advertising guidance should focus on the accuracy of claims about panel breadth and independence, rather than suggesting that brokers typically consider only one or two lenders.

### **RECOMMENDATION 2: EXPLICITLY ADDRESS THE USE OF "MORTGAGE BROKER" TERMINOLOGY IN ADVERTISING**

We note the guidance provided by ASIC in relation to the use of terminology at RG 234.116 onwards.

There is currently no explicit guidance in RG 234 addressing the use of the terms "mortgage broker" or "finance broker" in advertising, despite mortgage broking being a licensed and highly regulated activity under the National Credit Act. This contrasts with the more detailed treatment in other financial services contexts of how titles and role descriptions may influence consumer understanding and expectations (see RG 234.116). Given the licensing regime that applies to mortgage brokers, and the strong reliance consumers place on broker titles and representations, ASIC should expressly address the use of "mortgage broker" and similar terms in the Regulatory Guide. Clear guidance confirming that such terminology should only be used where a person is appropriately authorised to engage in credit activities would help prevent misuse by unlicensed or improperly authorised operators, promote consistency across financial services, reduce consumer confusion, and reinforce the integrity of licensed broker advertising without imposing additional obligations on compliant brokers.

We also encourage ASIC to clarify that advertising should not include titles, role descriptions or biographies that could mislead consumers into believing a person is authorised to provide credit assistance when they are not. This is particularly relevant in digital advertising and websites, where broker administrators or support staff may be featured alongside brokers. Clear guidance that only appropriately authorised individuals should be described or presented as "mortgage brokers" or "finance brokers" would help prevent consumer confusion and support the integrity of the licensing regime.

### **RECOMMENDATION 3: (SECTION B) INCLUDE PRACTICAL GUIDANCE FOR THIRD PARTY CALCULATOR USE**

We support ASIC's strong emphasis on balanced advertising that does not overstate benefits or understate risks, including for high-risk strategies and complex products.

For mortgage brokers, the most relevant parts of this section are:

- examples relating to debt management, "pay off your home loan sooner" claims, and reverse mortgages;
- expectations around substantiating claims with evidence; and

- the requirement that promotional calculators and scenarios clearly disclose key assumptions and limitations (for example, additional repayments required to achieve particular savings).

Many brokers use lender and aggregator-supplied calculators, rate comparison tools and “what if” scenarios in their marketing. These often sit on white-labelled websites or are embedded widgets where the broker does not control all text or assumptions.

We recommend that ASIC clarify that where brokers use third-party calculators, compliance expectations focus on:

- not re-labelling the tool in a way that changes its meaning;
- not adding headline claims that overstate the tool’s outputs; and
- making reasonable efforts to check that assumptions and disclaimers provided by the tool owner are visible and not overridden.

We note that some brokers also develop their own calculators or modelling tools for use in marketing. Given that these calculators can form a key part of promotional material, it would be helpful for RG234 to provide guidance on how balanced advertising principles apply in this context.

It would be helpful if ASIC included at least one worked example in RG234 referencing a home-loan repayment or “pay off your home loan faster” calculator used on a broker website, illustrating what ASIC would regard as acceptable balance.

#### **RECOMMENDATION 4: PROVIDE PRACTICAL GUIDANCE FOR COMPLIANCE IN SHORT-FORM DIGITAL ADVERTISING**

We support ASIC’s guidance that:

- strong, headline claims should not rely on fine print or separate webpages to avoid being misleading;
- qualifications must be sufficiently prominent and in the same language as the main message;
- statements such as “up to” or “from” should not be used in a way that creates unrealistic expectations about likely benefits.

For small broker businesses, marketing often relies on short formats such as social media tiles, email subject lines, or outdoor assets provided by aggregators or industry bodies. The practical challenge is including clear and compliant qualifications within tight character or design limits, while still meeting responsible lending and best interests obligations.

We recommend ASIC consider including a short “good practice checklist” for short-form advertising (e.g. social tiles, sponsored posts, Google ads) that:

- recognises space constraints;
- focuses on avoiding strong, absolute claims without context; and
- suggests minimum acceptable wording for common broker claims (e.g. “we’ll compare lenders for you”, “we may help you find a better deal”, “speak to us before you refinance”).

#### **RECOMMENDATION 5: CLARIFY USE OF “BEST” TERMINOLOGY IN ADVERTISING**

We note ASIC’s guidance on the use of strong or absolute terms and agree that the word “best” can be misleading where it suggests a universal or guaranteed outcome (for example, claims such as

“the best loan” or “the best deal”), given that what is appropriate will depend on a consumer’s individual circumstances. At the same time, references to “acting in your best interests” reflect a clear and well-established legal obligation that applies to mortgage brokers. Where used to describe this statutory duty, and not to promote a particular product as objectively superior, such language is not misleading.

We recommend ASIC clarify this distinction in RG 234 to help brokers communicate their role accurately without creating confusion or discouraging the use of appropriate, duty-based language.

#### **RECOMMENDATION 6: PROVIDE CLEARER GUIDANCE ON RATE ADVERTISING AND FEE TRANSPARENCY**

We strongly support ASIC’s focus on ensuring that advertising presents a realistic impression of the overall cost of credit, and that “no fee” or “free” claims are not used where consumers will in fact pay fees or other charges.

For mortgage and finance brokers:

- Brokers frequently advertise lender rates, introductory offers and package discounts as part of their marketing;
- They also may, for certain services such as complex credit, pre-approvals or commercial credit, advertise their own fee models where they charge a client fee;
- They may not always control how all lender fees are described, especially when using pre-supplied artwork or syndicated rate campaigns.

We recommend that ASIC explicitly note that where a broker advertises lender rates, brokers should:

- ensure the rate and comparison rate displayed match the current lender information and include the mandatory comparison rate warning;
- avoid re-framing lender fee structures (e.g. “no annual fee”) in a way that understates overall costs;
- identify clearly where rates are “from” and not available to all consumers.

#### **RECOMMENDATION 7: INCLUDE WORKED EXAMPLES FOR SAVINGS CLAIMS AND “BEFORE AND AFTER” CASE STUDIES**

We support ASIC’s emphasis on:

- ensuring that comparisons are made between broadly similar products;
- avoiding selective use of outlier data or short time periods to exaggerate savings;
- clearly disclosing assumptions behind any “average savings” figures or comparative claims.

This is particularly relevant to:

- advertising by industry service partners (including aggregators and platform providers) that promotes average customer savings or other quantified benefits associated with refinancing or repricing; advertising that promotes the benefits of using a product or service to assist customers to refinance or reprice; and; and
- individual broker marketing that references “we saved X client \$Y per year” case studies.

We recommend that ASIC include a specific example of an aggregator or broker campaign that states an “average savings” amount, showing:

- the type of evidence ASIC expects (sample size, methodology, period);

- how to express variability (e.g. “Actual savings depend on your circumstances; some customers save more, some less”);
- how often data would need to be refreshed for the claim to remain current.

We also recommend ASIC clarify that “before and after” case studies are acceptable, provided:

- they are factually accurate and not cherry-picked to give a misleading impression;
- material differences (e.g. change of product type, new fixed period, change in loan term) are explained in brief; and
- they do not suggest that all or most customers will experience similar outcomes.

### **RECOMMENDATION 8: INCLUDE WORKED EXAMPLES FOR LENDER COMPARISON SITES AND “FIND A BROKER” TOOLS**

We support ASIC’s guidance that publishers and media outlets may share responsibility for content in some cases.

The new section on “Aggregators and comparison sites” is particularly relevant to the mortgage broking ecosystem, where:

- aggregators and platforms host comparison tools and rankings;
- brokers may appear in “find a broker” listings or sponsored placement;
- some sites compare lender products and then direct consumers to brokers or call centres.

We recommend ASIC add an explicit example involving mortgage and finance products, for example a home loan comparison site that lists a sub-set of lenders, some of whom pay for prominence.

We also recommend that ASIC clarify that where industry associations (such as the MFAA) operate “find a broker” directories, the following will generally be sufficient:

- clear disclosure that listings are limited to association members;
- clear labelling of any paid featured positions or advertisements;
- no representation that the directory includes all brokers in the market.

### **RECOMMENDATION 9: APPLY GREENWASHING GUIDANCE PROPORTIONATELY TO BROKER ADVERTISING**

Greenwashing risks arise most acutely in investment and superannuation advertising. While there is an emerging use of terms such as “green home loans”, “climate-friendly” products and “sustainable” property finance in the credit context, these claims are typically product features determined and defined by lenders rather than intermediaries.

Where brokers reference such features, for example when promoting lender-designed “green loans” for energy-efficient homes or renovations, or when noting climate-related attributes as part of broader advertising, compliance expectations should remain proportionate and aligned with existing obligations.

In this context, we recommend ASIC include a brief cross-reference to INFO 271 to clarify that greenwashing principles apply consistently to credit products described as “green” or “sustainable”, without imposing additional or heightened obligations on brokers. This guidance should confirm

that intermediaries are expected not to overstate the environmental attributes of a product or the scope of any exclusions or positive screening but are not required to independently verify or substantiate lender-designed sustainability claims.

## **CLOSING REMARKS**

The MFAA supports ASIC's aim of raising standards in advertising while maintaining a proportionate, principles-based approach that works for large institutions and small broker businesses alike. Clear, practical guidance on advertising can:

- help brokers provide realistic, balanced information about credit products;
- reduce the risk of consumers being misled by strong but unqualified claims;
- support better financial decisions, particularly in complex markets such as home lending.

Consistent with ASIC's encouragement for industry bodies to develop sector-specific guidance that builds on its good practice framework, the MFAA has published a range of member resources. These include updated Advertising Guidelines (2024) and the recently released *Managing Advice Risks in Client Conversations* (December 2025), both of which support good practice in broker advertising. If further guidance is developed, we would expect ASIC to be available on a constructive and collaborative basis to support industry in testing approaches and ensuring alignment with regulatory expectations.

To assist broker businesses to review and (if necessary) update their existing advertising, we encourage ASIC to allow a reasonable transition period.

We trust this submission will be of assistance to ASIC. If you wish to discuss this submission or require further information, please contact [REDACTED] or [REDACTED]

Yours sincerely,

[REDACTED]

Mortgage and Finance Association of Australia