



## **MEDIA RELEASE**

Wednesday, 8 February 2023

### **ADVICE REVIEW FINAL REPORT PROVIDES THE BLUEPRINT TO MEET CONSUMERS' ADVICE NEEDS**

The Quality of Advice Review's final report released today by the Government lays a strong foundation to ensure many more Australians get the financial advice they need.

CEO of the Financial Services Council (FSC) Blake Briggs said: "An independent, consultative, and thoughtful review process by Michelle Levy has delivered a blueprint for reform of the advice industry that puts consumers first.

"The final report has outlined sensible reforms consistent with the detailed and evidence-based policy research conducted by the FSC and our members.

"Change to advice policy settings is overdue and the industry is ready to work collaboratively with the Government on a package of comprehensive reforms that can be introduced to Parliament this year."

#### **Importance of existing consumer protections**

"The thorough analysis by Michelle Levy and her Treasury review team means the scare campaign about a return to the 'bad old days' of conflicted advice that failed to put the interests of consumers first is dead on arrival."

"The final report rightly concludes that since the introduction of the design and distribution obligation, there is more scope to allow more forms of personal advice."

#### **Best Interests Duty and 'good advice', and the Relevant Provider**

"The final report strongly endorses the principle that advice should be outcomes focused, not process driven, and these recommendations can achieve this objective in a way that ensures consumers receive more, not less protection."

"The final report recommends new consumer protections by expanding what is personal advice, and creating a 'good advice' duty to ensure advice is 'fit for purpose'. The move to a 'good advice' duty draws on the work of Commissioner Hayne's Financial Services Royal Commission and would align the advice framework with legal protections in the Australian Consumer Law."

#### **Disclosure and fee consent**

"The recommendations to abolish of the Statement of Advice and the proposed overhaul of the existing fee consent obligations are long overdue and welcome. FSC research has demonstrated that abolishing Statements of Advice would reduce the cost of providing advice by almost \$1000."

### **Design and Distribution Obligations**

“Recommendations to remove unnecessary red tape for advisers who are already subject to a best interests duty will help ensure advice is affordable and accessible.”

### **Digital advice**

“The final report’s proposed reforms such as the removal of the safe harbour steps, simplification of documentary and disclosure requirements, will work holistically to enable more bespoke and more affordable to be delivered to consumers whether delivered via digital or traditional means.”

### **Superannuation**

“The final report has listened to calls from across the superannuation industry to permit funds to provide advice on a range of topics and to enable members to pay for that advice from their retirement savings, on the direction of the member.”

### **Life insurance and conflicted remuneration**

“The FSC supports the retention of the Life Insurance Framework and proposed changes to ensure consumers are informed and consent to commissions prior to sale and understand the services they will receive from the adviser.”

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### **About the Financial Services Council**

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia’s largest industry sectors, financial services. Our Full Members represent Australia’s retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.