

5 February 2015

Letters Editor – Sydney Morning Herald

Re: Industry funds hit out over default review

The Financial Services Council (FSC) writes to correct a claim by Industry Super Australia that “the banks will use their market power to bundle super with business banking and lead to many employees being placed into funds with lower returns.” (“Industry funds hit out over default review”, SMH, February 5).

Industry Super Australia is wrong at law. Section 68A of the *Superannuation Industry (Supervision) Act 1993* (Cth) (SIS Act) specifically prohibits a related party, including a bank, from offering inducements to a person or an employer in return for choosing one superannuation fund over another.

Industry Super Australia has also failed to provide any evidence of superannuation funds or related parties offering inducements to employers. If there was evidence of inducements being offered these should be referred to the relevant authorities.

Yours sincerely

SALLY LOANE

CEO, Financial Services Council