



MEDIA STATEMENT

Thursday 18 July 2019

FSC RESPONSE TO ASIC PROPOSAL TO BAN UNSOLICITED TELEPHONE SALES OF LIFE INSURANCE AND CONSUMER CREDIT INSURANCE

The Financial Services Council (FSC) agrees there is no place for cold calling random people and pressuring them into purchasing life insurance or consumer credit insurance. If these practices are still occurring, ASIC is right to step in.

However, businesses do need to be able to contact existing customers to discuss products and services, a business reasonably believes are relevant and appropriate for the customer, provided there are safeguards. The safeguards, such as a deferred sales model, would ensure there is no pressure selling.

For example, if a bank approves a person's mortgage, it would make sense to call the customer to ensure they are aware of the possible relevance of life insurance and home and contents insurance, provided no sales take place on that first call.

The FSC intends to lodge a submission to the ASIC Consultation Paper after consulting with its members.

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About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.