



## **MEDIA RELEASE**

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### **CONSUMERS USING SUPERANNUATION PLATFORMS ARE ADVISED, HIGHER-BALANCE, NEW DATA CONFIRMS**

Data released today by the Financial Services Council (FSC) shows Australians choosing to switch to a superannuation platform from a default superannuation fund are typically older investors with higher balances, who have received professional financial advice, disproving recent claims made by the Super Members Council (SMC).

The data, based on a survey of the seven largest platform providers by funds under administration and market share, shows the average balance of newly established platform accounts is over \$349,500, with an average age of 59 at the time of switching.

Even among younger investors switching to superannuation platforms, balances are significantly higher than those of their peers in the broader superannuation system. Under 30s establishing accounts on platforms have average balances of \$54,800, over 3 times higher than the \$16,200 average of their peers in all APRA regulated accounts. For those aged 30-45, new accounts on platforms have an average balance of \$162,300, more than twice the \$80,800 average for that age group across all APRA regulated funds. This indicates that these customers are likely to be higher income earners who are building their retirement savings by engaging with their superannuation earlier.

CEO of the Financial Services Council, Blake Briggs, said “Superannuation platforms provide Australians with greater control over their retirement savings and are often used by people with more complex financial circumstances who have received personal advice on tailored investment solutions.

“New FSC analysis of data provided by the platforms sector makes it clear that Australians switching to superannuation platforms are generally older consumers with higher balances. Even amongst younger Australians switching to superannuation platforms, they have higher balances than their peer cohorts, reflecting their more complex financial needs.”

Superannuation platforms are APRA-regulated and subject to the same legislative and prudential framework as other superannuation products. Conflating superannuation platforms with self-managed super funds (SMSFs) that operate outside of the prudentially regulated environment is misleading.

Access to platforms overwhelmingly occurs through a financial adviser, providing an additional safeguard for consumers due to the additional legislative and fiduciary obligations imposed on advisers. Financial advisers use platforms to structure investments inside and outside superannuation to suit a client's broader financial circumstances.

The FSC is concerned that misleading data risks distorting the superannuation policy debate following the failures of Shield and First Guardian. It is simply not correct to infer that a superannuation consumer who has switched out of a default fund on the recommendation of a financial adviser has necessarily been subject to predatory lead generation or poor advice, and the default funds making that claim do not hold the necessary data to substantiate those arguments.

Mr Briggs said "The methodology used by SMC to criticise the choice sector is flawed and should not be allowed to distort the public policy debate. Default funds cannot see a member's full financial position – including whether multiple accounts are being consolidated over time or whether an adviser is using a platform to manage the household wealth of several family members under a holistic strategy."

The data shows that almost a quarter (24.7%) of new accumulation accounts receive multiple rollovers, suggesting it is common for members to use platforms to consolidate several superannuation accounts into one structure.

Many Australians still hold multiple superannuation accounts due to default arrangements in modern awards and enterprise agreements that have historically led to the proliferation of duplicate accounts and balance erosion. As people become more engaged with their superannuation or approach retirement, consolidation is common and should be encouraged by the industry.

Mr Briggs said "The superannuation industry needs to have a mature conversation around the consumer protection framework in light of the failures of Shield and First Guardian, but this debate should not be co-opted by the commercial interests of default superannuation funds. Misleading data does not help policymakers, regulators, or consumers engage with the complex issues surrounding advice, switching behaviour and retirement outcomes.

"Inferring that financial advisers' use of superannuation platforms is inherently risky is insulting to professional financial advisers, ignores the benefits that financial advice offers Australian consumers, and is not supported by evidence."

The FSC is recommending to the Government that measures to address the harm caused by Shield and First Guardian should be targeted at lead generators, the transparency and governance of managed investment schemes, and effective enforcement of existing legal obligations.

The Government should not implement reforms to restrict the right of individual consumers to take control of their retirement savings and actively engaging with their superannuation.

**ENDS**

## Appendix A: Summary of SMC claim corrections

SMC Claim	Correction
<p>Young, low-balance individuals dominate switches to platforms.</p>	<p>Data from platform providers does not support this claim. Individuals switching into platforms have significantly higher balances than their same-age peers. Those switching into platforms are a distinct cohort with specific reasons for doing so. The balance differential implies that platforms are onboarding a demographic with higher wealth and higher incomes than the average person in each age band cited by the SMC.</p>
<p>Default funds are safe, mainstream, high-performing and tightly regulated. Platforms, on the other hand, are risky.</p>	<p>Almost all individuals on platforms are advised onto platforms, and these operate within the same APRA-regulated framework as other superannuation funds.</p> <p>Default fund-level data does not support generalised performance comparisons as platforms are typically used alongside broader financial planning decisions.</p>
<p>Retail funds have higher expense ratios. Members switching to SMSF and platform-based super funds could have shouldered over \$160 million in additional fees.</p>	<p>SMC's own analysis attributes around 85% of the cited cost to SMSFs, meaning combining them with platforms materially overstates platform costs.</p> <p>Aggregate fee comparisons are also misleading given platforms' varied pricing structures and fee caps. Depending on balance and menu type, fees on platforms can be comparable to many industry funds. Fees can also be appropriate where they support higher returns, enhanced consumer services, or tailored investment outcomes.</p> <p>The SMC research also counts advice fees as an additional cost without any corresponding benefit. It fails to recognise that financial advice supports informed investment decisions, retirement planning and risk management. Members using platforms are more likely to seek advice due to more complex financial circumstances. Ignoring the value of advice leads to a misleading comparison of costs across the system.</p>
<p>People are being rushed onto platforms by advisers with whom they had no pre-existing relationship.</p>	<p>It cannot be assumed that a customer leaving a default fund without an adviser listed on their profile does not in fact have an adviser. Nor does the recent receipt of financial advice indicate that a customer has been subject to harmful lead generation or high-pressure sales tactics. Framing advised switching as</p>

	inherently risky suggests that inertia is the safer and financially preferable option, and overlooks the protections embedded in the regulated advice framework.
SMSFs and platform funds can be viewed through the same lens.	Unlike member-driven SMSF establishment, platform super products operate under APRA’s full regulatory framework, including trustee duties, prudential standards, and the best financial interests obligation. It is not correct to frame platforms and SMSFs as having the same regulatory framework.

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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 130 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, 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 \$4 trillion on behalf of over 16.9 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.