



MEDIA RELEASE

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FSC SUPPORTS NO HAWKING OF INSURANCE

Pressure selling insurance products, over the phone or otherwise, is not acceptable according to the Financial Services Council (FSC).

FSC CEO Sally Loane said insurers should not be able to make outbound calls with the view to sell life insurance or consumer credit insurance when people were not aware the call was coming - in other words, being called cold.

“There is no place for cold calling and pressuring random people into buying a life insurance product they don’t need, want or understand,” Ms Loane said.

“For an outbound call to be justified, a person must first have given their positive, clear and informed consent, before being contacted.

“Additionally, given there is no legislated time frame in which calls need to be made, the FSC believes an initial call should be made within three months of consent.

“It is important to note that the industry has already made significant improvements through better use of monitoring and oversight, through remuneration practices, appropriate incentives, culture, training and the FSC Life Insurance Code of Practice.

“These anti-hawking measures ensure the conduct on all calls is at the highest standards,” Ms Loane said.

The FSC submission is in response to Recommendation 4.1 of the Financial Services Royal Commission, that hawking of insurance products should be prohibited.

A copy of the submission can be found here: <https://fsc.org.au/resources/1852-fsc-submission-unsolicited-telephone-sales-of-direct-life-insurance/file>

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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.