



## **MEDIA RELEASE**

Wednesday, 8 March 2023

### **FSC WELCOMES FINALISATION OF THE COMPENSATION SCHEME OF LAST RESORT AND FINANCIAL ACCOUNTABILITY REGIME**

The Financial Services Council (FSC) welcomes the introduction of the Compensation Scheme of Last Resort (CSLR) and the Financial Accountability Regime (FAR) Legislation into Parliament today, reflecting the Government's focus on finalising the remaining pieces of the Royal Commission into the Banking, Superannuation and Financial Services industry.

CEO of the FSC Blake Briggs said: "The Assistant Treasurer has got the balance right with the CSLR scheme, which will provide consumers with a safety net of up to \$150,000 for eligible unpaid Australian Financial Complaints Authority determinations.

"The CSLR will establish an industry funded scheme to protect consumers who have incurred losses while not excessively burdening customers and well-run organisations that have done nothing wrong with the costs of the scheme.

"The FAR will bring additional accountability measures for senior executives in prudentially regulated sectors, including superannuation, life insurance and banking and provides for penalties on those institutions.

"The aim is for the CSLR to be genuinely last resort through effective enforcement of existing laws to minimise the potential cost of the scheme to consumers and industry."

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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.