Australian Government
The Treasury

TSY/AU

Quality of Advice Review

Template for response

August 2022

Consultation process

Request for feedback and comments

Interested parties are invited to provide feedback on the proposals for reform listed in the Quality of Advice Review Proposals Paper using the template in Appendix 1. Consultation will close on Friday 23 September 2022.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses in a Word or RTF format via email. An additional PDF version may also be submitted.

Publication of submissions and confidentiality

All of the information (including the author's name and address) contained in submissions will be made available to the public on the Treasury website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as such in a separate attachment.

Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

View our submission guidelines for further information.

Closing date for submissions: 23 September 2022

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Appendix 1: Consultation template

Name/Organisation:

Questions
Intended outcomes
1. Do you agree that advisers and product issuers should be able to provide to personal advice to their customers without having to comply with all of the obligations that currently apply to the provision of personal advice?
No, not at all. Ms Levy says: "The obligation to provide 'good advice' would replace the best interests duty, the appropriate advice duty, the duty to warn the client and the duty of priority in Chapter 7 of the Corporations Act." **This is rubbish.** **BOTH requirements should be there – advice must be "good", and it must be in the best interests of the client.**
What should be regulated?
2. In your view, are the proposed changes to the definition of 'personal advice' likely to: **a) reduce regulatory uncertainty?** **b) facilitate the provision of more personal advice to consumers?** **c) improve the ability of financial institutions to help their clients?**

The proposed changes will do none of these things. It will simply allow financial planners to again rort their clients. These changes MUST be stopped – they are arrant rubbish
3. In relation to the proposed de-regulation of 'general advice' - are the general consumer protections (such as the prohibition against engaging in misleading or deceptive conduct) a sufficient safeguard for consumers? **a) If not, what additional safeguards do you think would be required?**
No, they are not sufficient. It will be a green light for the scams and rorting of the past, and the RC will have been a waste of time.
How should personal advice be regulated?
4. In your view, what impact does the replacement of the best interest obligations with the obligation to provide 'good advice' have on: **a) the quality of financial advice provided to consumers?** **b) the time and cost required to produce advice?**
This is the wrong question. The correct question should be "What impact… have on financial advisors to revert to type and again behave as they have done in the past". The answer, of course, is that it will again green light the "Greed is good" ethos that ruled before.

5. Does the replacement of the best interest obligations with the obligation to provide 'good advice' make it easier for advisers and institutions to: **a) provide limited advice to consumers?** **b) provide advice to consumers using technological solutions (e.g. digital advice)?**
Or c) ripoff their clients as they did before
6. What else (if anything) is required to better facilitate the provision of: **a) limited advice?** **b) digital advice?**
Full accountability – provide "good advice" that is in the best interests of clients and not the advisor.

Anything less is unacceptable

7. In your view, what impact will the proposed changes to the application of the professional standards (the requirement to be a relevant provider) have on:

a) the quality of financial advice?

b) the affordability and accessibility of financial advice?

Quality will be back to what it was before, advisors will ripoff their clients, and there will be calls for another RC to fix the next set of problems.

This proposal is sheer stupidity and I cannot for the life of me see why it's even being discussed.

Oh, that's right, the ever-powerful financial industry lobby.

This is all corruption of the RC process, pure and simple.

8. In the absence of the professional standards, are the licensing obligations which require licensees to ensure that their representatives are adequately trained and competent to provide financial services sufficient to ensure the quality of advice provided to consumers?

a) If not, what additional requirements should apply to providers of personal advice who are not required to be relevant providers?

Just make them accountable, which this proposal erodes, back to where the industry wants it – open slather to again steal from their clients.

Superannuation funds and intra-fund advice

9. Will the proposed changes to superannuation trustee obligations (including the removal of the restriction on collective charging):

a) make it easier for superannuation trustees to provide personal advice to their members?

b) make it easier for members to access the advice they need at the time they need it?

We don't need to make it easier, we need to make it safer and accountable

Disclosure documents
10. Do the streamlined disclosure requirements for ongoing fee arrangements: **a) reduce regulatory burden and the cost of providing advice, and if so, to what extent?** **b) negatively impact consumers, and if so, how and to what extent?**
See my response to Q15
11. Will removing the requirement to give clients a statement of advice: **a) reduce the cost of providing advice, and if so, to what extent?** **b) negatively impact consumers, and if so, to what extent?**
See my response to Q15

12. In your view, will the proposed change for giving a financial services guide: **a) reduce regulatory burden for advisers and licensees, and if so, to what extent?** **b) negatively impact consumers, and if so, to what extent?**
See my response to Q15

Design and distribution obligations

13. What impact are the proposed amendments to the reporting requirements under the design and distribution obligations likely to have on: **a) the design and development of financial products?** **b) target market determinations?**
See my response to Q15

Transition and enforcement

14. What transitional arrangements are necessary to implement these reforms?

These are not reforms – they are Open Sesame to greed and corruption (again).

General

15. Do you have any other comments or feedback?

Years ago, our financial advisor (bottom-feeding scum that he is) put us in one of these dud super funds. A while later, he transferred us across to one of the other duds. We realised later that the second one had better trailing commission, and he received a bonus for putting us in the new one.

When I told him I wanted to go to an industry fund, he said he would no longer act for us as he would receive no kickbacks (not put in those terms, but the meaning was clear). That was the best thing ever - we took back control and are now in Australian Super. I regret how much money we lost in poor returns, advisor fees and commissions - we would be so much better off now if we had just done our own research and not allowed this churn that just made money for this scammer.

No wonder these parasites have a bad name. They are still, as an industry, trying to water down the consumer protections, so have learned nothing from the Royal Commission. Financial advisors are scumbags and parasites and should crawl back into the sewers where they came from.