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19 SEPTEMBER 2022

Please find attached the Template for  
Response completed by me as an individual

Regards  
Norman Hodgkinson

member of the Association of  
Independent Retirees

## Appendix 1: Consultation template

Name/Organisation: Norman Hodgkinson—member of the Association of Independent Retirees

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### 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

#### What should be regulated?

2. In your view, are the proposed changes to the definition of 'personal advice' likely to:
- reduce regulatory uncertainty?
  - facilitate the provision of more personal advice to consumers?
  - improve the ability of financial institutions to help their clients?-----(a)

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?
- If not, what additional safeguards do you think would be required?

KEEP EXISTING

#### 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:
- the quality of financial advice provided to consumers?
  - the time and cost required to produce advice?

a) Uncertainty; 'Good Advice' is a typical lawyers term which can lead to extended argument in court.

b) The time and cost to comply with the existing rules is justified to have a responsible outcome

**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)?

- a) "Good advice" is too vague allowing an easy cop out by the adviser
- b) it is irrelevant whether it is digital or other

**6. What else (if anything) is required to better facilitate the provision of:**

- a) limited advice?
- b) digital advice?

a) Who defines 'limited advice'. Another cop out for the adviser.

b) the consumer should be put in touch with digital information provided it is good fit for purpose digital information. The digital information should best be approved by the government

**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?

- a) The advice would be less responsible /reliable
- b) The affordability and accessibility should obviously be better . Digital advice on approved programs would be the ideal for the digitally conversant.

**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?

### 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?

a) Superannuation funds should make it clear when the client signs up as to whether advice is supplied and how it will be charged. It should provide advice on an hourly charge basis and no other

b) If the superannuation provides advice it should be provided on client request.

### 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?

#### 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?

a) A statement of advice should be provided. Obviously deleting this requirement is a cop out for the adviser.

b) Everyone should know just where they stand on any cost. They should be advised whenever it will be incurred and billed in detail when it has been incurred

#### 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?

**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?

a)The financial products are likely to be less thorough in preparation and less responsible with uncertain outcomes for the clients  
b)??????????

**Transition and enforcement**

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

a) Few of the reforms should be enacted so it should not be a problem

**General**

**15. Do you have any other comments or feedback?**

ON THE WHOLE I THINK THE PROPOSED REFORMS ARE A BACKWARD STEP TO WHERE WE ARE NOW.