

30 October 2019

Ministry of Business, Innovation and Employment  
[faareview@mbie.govt.nz](mailto:faareview@mbie.govt.nz)

Dear Sir/Madam

### **Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2019 (draft Regulations)**

Thank you for the opportunity to comment on the draft disclosure requirements in the new financial advice regime. We strongly support the objectives of the disclosure requirements. Please consider this submission in conjunction with our previous submissions on the new financial advice regime, including our submission on the Code of Conduct dated 30 April 2018. Our comments below focus on the draft disclosure requirements relating to the complaints process and dispute resolution scheme.

#### *About us*

The Banking Ombudsman Scheme is an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Our role is to resolve disputes between banks and their customers and improve the banking experience for consumers. We use the lessons learned from our cases to improve banking standards and help customers manage their banking affairs better.

#### *Responses to discussion document*

We support the proposed amendments made by the Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2019. We agree that regulations 129A, 229A – 229H and Schedule 21A give proper effect to our previous submissions. In particular, we agree with:

- The requirement that a financial service provider publicise its complaint process and the availability of its dispute resolution scheme (regulation 229C)
- The prescribed type of information that a provider must disclose in relation to its complaints process and dispute resolution process (clause 4(k), (l), (m) and clause 6(g), (h), (i) of Schedule 21A)
- The requirement that a provider must disclose information relating to its complaints process and external dispute resolution process both at the time financial advice is given and when a complaint is received (regulation 229E and 229F)
- The set manner in which information must be disclosed (regulation 229G)
- The requirement that providers keep a record of each disclosure that is made under the FMC regulations as a condition of their licence (regulation 129A).



The proposed disclosure requirements are in line with our scheme's membership requirements and with what we consider best practice in the industry. We consider the draft regulations effectively ensure customers are informed of the complaints process and the external dispute resolution scheme available to them.

We trust these comments will help you in developing the final disclosure regulations. Please do not hesitate to contact us if you would like any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Sladden', with a long horizontal flourish extending to the right.

**Nicola Sladden**  
Banking Ombudsman