

# Submission on discussion document: *Exposure draft: Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2019*

## Your name and organisation

<b>Name</b>	Louise Peters
<b>Organisation</b>	Insurance & Financial Services Ombudsman Scheme

## Responses to discussion document questions

1	<p>Will the proposed record-keeping requirement be workable in practice?</p> <p>We believe the record-keeping requirement sets a high standard and will require financial advice providers to have rigorous checks in place to ensure that the record is completed in every case. However, those checks will also help ensure the disclosure information is provided when required.</p>
2	<p>Do you have any comments on the drafting of the Regulations that will require information to be made publicly available?</p> <p>We fully support the requirement to make this information available on financial advice providers' websites and on request.</p>
3	<p>Do you have any comments on the draft Regulations that will require the disclosure of information when the nature and scope of the advice is known?</p> <p>We consider the information included is appropriate when the nature and scope of advice is known. It is important that any limitations on what can be advised on is specifically included because it is our experience is that many consumers are not aware that the nature and scope of advice may be limited.</p> <p>In terms of "Fees or Expenses", we believe it is important that the description of any fees is able to be understood and calculated by a client. For example, mortgage brokers' statements say, if their commission is clawed back by a product provider when a mortgage ends within a given timeframe, will be on-charged to the consumer, however, the potential amount of the claw back cannot be calculated.</p> <p>It is appropriate that disclosure not be required when initial information has been provided in the last 12 months and has not changed.</p>
4	<p>Do you have any comments on the draft Regulations that will require the disclosure of information when the financial advice is given?</p> <p>See our comments in 3 above.</p>

5	Do you have any comments on the draft Regulations that will require the disclosure of a provider's complaints handling and dispute resolution processes when a complaint is received?
	When financial advice is given, complaints handling information should be provided in addition to when a complaint is made. As complaints may be made about a failure to provide a service or advice, the consumer may not have received disclosure prior to making the complaint. We also believe the level of information required to be provided is appropriate. We appreciate the reference to a " <i>complaint</i> " in regulation 229F(3) is designed to clarify the types of complaints that may be received. However, in the absence of an overarching internationally accepted definition of what constitutes a complaint, we have some concerns it may be read as narrowing what constitutes a complaint.
6	Do you have any comments on the draft Regulations that set the manner in which information must be disclosed?
	We believe the manner in which information is required to be disclosed (clear, concise and effective) is appropriate and provides sufficient flexibility.
7	Are there instances in your business when regulation 229D might apply to someone who is not the one to give advice to the client? Please give examples and provide any comments on how the draft Regulations apply in such scenarios.
	No comment.
8	Do you have any further comments on new regulation 229A to 229H of the draft Regulations?
	The Regulations strike a good balance and provide sufficient flexibility to allow businesses to provide effective disclosure documents and to manage their compliance with the requirements.
9	Do you have any further comments on new Schedule 21A in the draft Regulations?
	We believe Schedule 21A is well drafted and clear.
10	What (if any) transitional provisions should be included in the regulations?
	No comment.