

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS FINANCIAL ADVICE SECTOR

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Dr MULINO: ... I'm just curious as to how many cases are currently in dispute that have arisen out of the royal commission.

Mr De Ferrari: In terms of where we've made an offer to clients and clients are not happy with that offer?

Dr MULINO: Yes; either in internal dispute resolution or at AFCA?

Mr De Ferrari: From memory—and I can come back to you with the precise numbers—I thought that there were a few tens of cases, maybe 30 or 40, where clients have effectively said, 'Explain to me, please, how you reached this determination.' I think single digits of these cases are with AFCA today.

Dr MULINO: Okay, thank you, if you could take that on notice.

Answer

It is difficult to be precise about the number of cases that have explicitly arisen from the Royal Commission.

However, the number of complaints in relation to financial advice remediation in internal dispute resolution, with the Customer Advocate or at AFCA are summarised in the table below:

Financial advice remediation complaints since 2018			
Complaint category	2018	2019	2020
Internal			
Internal Dispute Resolution (IDR) team	42	120	81
Customer Advocate	1	3	-
External – AFCA			
External Dispute Resolution (EDR) team	9	15	5
Customer Advocate	-	-	1*
Total	52	138	87

* The Customer Advocate case in 2020 that is now with AFCA was one of the internal cases with the Customer Advocate from 2019.

Of the 6 cases that went to AFCA in 2020, 2 are closed and 4 are still open.

Themes of these complaints include appropriateness of the advice, fees for service and the remediation process.