

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

HOSTPLUS

HP3QW: Details of all ASIC fines and infringement notices incurred over the past five years.

Answer:

- 1 Hostplus has received one infringement notice issued by ASIC over the past five years. ASIC alleged, in the infringement notice, that Hostplus was misleading Hostplus' members by stating that it offered 'independent advice' in a pre-recorded on-hold telephone message.
- 2 From about July 2016 to late March 2018, Hostplus had a recorded on-hold telephone message which referred to a free and independent advice consultation available to members with an Industry Fund Services Limited (**IFS**) licensed financial planner. In 2017, Hostplus insourced its financial planners, although those planners remained Authorised Representatives of IFS under its Australian Financial Services Licence.
- 3 ASIC was concerned that Hostplus and IFS were not independent of each other because Hostplus employees were appointed as authorised representatives to provide financial advice under IFS' licence, Hostplus paid service fees to IFS for advisor services and Hostplus was a shareholder of IFS' ultimate holding company (together with several other industry super funds).
- 4 In response to ASIC's concerns, Hostplus immediately removed the use of the word 'independent' from the recorded telephone message. In May 2019, Hostplus paid a penalty of \$12,600. The payment was not an admission by Hostplus of a contravention of the ASIC Act.