

To whom it may concern,

I am writing as a financial adviser to express my point of view regarding a key outstanding consumer protection measure of the Future of Financial Advice (FoFA) reforms, which is the enshrinement of the term financial planner/adviser into law.

I have been a financial adviser for around 5 years, and have come to know my clients and their families well, and I work with my clients to prepare them for their financial future, and manage the ups and downs along the way. I have helped educate my clients on financial matters to instil good financial habits and enable them to make sound decisions throughout their lives, resulting in greater financial independence rather than a reliance on Government assistance particularly in later years.

A lack of restriction on the use of the term financial planner/adviser is, among other things, a significant gap in consumer protection. It leaves trusting consumers open to influence by unprofessional and inappropriately qualified individuals portraying to provide advice, especially unsolicited advice from people with whom consumers may/may not have a relationship with. The term financial planner/adviser is increasingly being used in marketing and promotional material by persons who provide non-traditional ancillary services, such as realtors, stockbrokers, financial counsellors, life insurance agents or brokers, mortgage brokers, property brokers, sales agents of various investment vehicles, and unlicensed advisers, increasing the risk for consumers to be misled.

Australians deserve “truth in labelling” when it comes to the provision of financial planning advice as it has a profound impact on an individual’s and the community’s financial well-being.

With research showing that 88%^[1] of the industry is in support of the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill, we join in this support and the need for effective financial services regulation that protects consumers.

I am a member of the Financial Planning Association who is in support of the above change. If you would like to discuss our position on the matter further, please do not hesitate to contact me.

Regards

Lee Henderson

^[1] Investment Trends Pty Ltd, December 2011 Retirement Planner Report, based on responses from 1.027 financial planners, including non-FPA members and FPA members.