



ASIC
Australian Securities &
Investments Commission

Committee	Senate Economic References Committee
Inquiry	Inquiry into improving consumer experiences, choice, outcomes in Australia's retirement system
Question No.	003
Topic	Cbus Super
Reference	Written, 28 February 2025
Committee member	Senator BRAGG

Question 1:

When did ASIC first receive a complaint about Cbus insurance failures?

Answer:

Historically, ASIC received one complaint on 17 July 2007 in relation to possible delays in the handling of a death benefits claim by United Super Pty Ltd (United Super), trustee for Cbus.

ASIC received one complaint on 8 September 2020 about the denial and alleged mishandling of a total and permanent disability claim by United Super.

ASIC received one complaint on 7 June 2023 alleging delays and errors in the handling of a death benefit claim by United Super.

Question 2:

How many complaints have you received about this?

Answer:

3 prior to ASIC commencing its investigation on 4 October 2023.

17 since ASIC commenced its civil penalty proceedings against United Super in the Federal Court of Australia on 12 November 2024.

Question 3:

When did ASIC take action on these matters?

Answer:

ASIC commenced its investigation on 4 October 2023, following a breach report lodged by United Super on 5 August 2023.

ASIC commenced its civil penalty proceedings in the Federal Court of Australia on 14 November 2024.

Question 4:

Are you willing to deal with this Cbus matter in private mediation?



ASIC
Australian Securities &
Investments Commission

Answer:

As noted in QON (SERC QON 1 – 20 Feb), ASIC will participate in the mediation that has been ordered by the Federal Court of Australia. Any in principle resolution of the matter will be transparently disclosed to the Court. The Court is not bound to determine the matter in accordance with any agreement that might be reached between the parties at mediation.

Question 5:

Who at Cbus is responsible for the alleged insurance failures?

Answer:

ASIC is bringing proceedings against United Super Pty Ltd as the trustee of the Cbus superannuation fund.

ASIC has not alleged specific failures by specific individuals within Cbus.

Question 6:

What led to these failures?

Answer:

ASIC has alleged that:

1. Cbus failed to properly and promptly identify the risks that its claims processing system posed to members and claimants.
2. Despite Cbus being aware of claims handling information, the reporting to Cbus's board committees did not suggest any cause for alarm and gave the impression that any problem was being adequately addressed, at least until August 2023. As a result, Cbus failed to properly assess the scale of delays in the processing of death and TPD claim and take prompt and appropriate action to redress those delays.
3. Cbus had measures available to it under the Administration Agreement that could have been used to identify and then rectify delays in processing death and TPD benefits claims. Cbus failed to implement, or adequately implement, those measures.

Question 7:

Would stronger board skills help prevent these failures?

Answer:

ASIC has not made allegations about the skills of the members of the Board.



ASIC
Australian Securities &
Investments Commission

Committee	Senate Economic References Committee
Inquiry	Inquiry into improving consumer experiences, choice, outcomes in Australia's retirement system
Question No.	004
Topic	Rest Super
Reference	Written, 28 February 2025
Committee member	Senator BRAGG

Question 1:

When did ASIC first receive a complaint about Rest charging insurance to members?

Answer

ASIC first received a complaint on 5 February 2025 in relation to Rest deducting insurance fees from a member's account after the member had opted out of all insurance.

Question 2:

How many complaints have you had about each?

Answer

ASIC has received one complaint in relation to this matter.



ASIC
Australian Securities &
Investments Commission

Committee	Senate Economic References Committee
Inquiry	Inquiry into improving consumer experiences, choice, outcomes in Australia's retirement system
Question No.	005
Topic	AustralianSuper
Reference	Written, 28 February 2025
Committee member	Senator BRAGG

Question 1:

Is ASIC investigating this industry super fund failure to process member insurance claims?

Answer:

On 11 March 2025, ASIC filed proceedings in the Federal Court of Australia against AustralianSuper in relation to delays in processing death benefit claims. Death benefit claims, in some circumstances, include an insurance claim.

Question 2:

What steps could Australia's largest industry super fund have taken to prevent 90,000 members losing \$69 million?

Answer

Following proceedings commenced by ASIC in the Federal Court of Australia, the Court declared that by failing to promptly identify and merge beneficiaries multiple accounts and by failing to promptly remediate affected members, AustralianSuper:

- b) did not exercise, in relation to the interests of that beneficiary, the same degree of care, skill and diligence as a prudent superannuation trustee would have exercised; and
- b) perform its duties and exercise its powers in the best interests/best financial interests of each affected beneficiary

and thereby contravened s52(2)(b) and 52(2)(c) of the Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act).

The Court also declared that AustralianSuper did not do all things necessary to ensure that financial services covered by its Australian Financial Services Licence were provided efficiently, honestly and fairly, because:

- c) between 13 March 2019 and 20 June 2022, AustralianSuper failed to establish rules which set out a procedure to promptly identify and merge multiple member accounts in accordance with s108A of the SIS Act;



ASIC
Australian Securities &
Investments Commission

- c) between 13 March 2019 and 11 May 2023, AustralianSuper failed promptly to identify and merge beneficiaries' multiple accounts in a way that such rules would have required; and
- c) between 13 March 2019 and 11 May 2023, AustralianSuper failed to promptly remediate those beneficiaries.

The declarations pronounced by the Court record the things that AustralianSuper was required to do in order to comply with the legal obligations ASIC claimed AustralianSuper breached.



ASIC
Australian Securities &
Investments Commission

Committee	Senate Economic References Committee
Inquiry	Inquiry into improving consumer experiences, choice, outcomes in Australia's retirement system
Question No.	006
Topic	Legal proceedings in the super sector
Reference	Written, 28 February 2025
Committee member	Senator BRAGG

Question:

Have you taken criminal or civil action against any individuals within the super sector regarding these continued scandals plaguing the industry?

Answer

ASIC is prosecuting two former executives of Statewide Superannuation Pty Ltd (**Statewide**) (now merged with Host-Plus Pty Limited), for dishonesty offences related to their procurement of services between February 2019 and December 2019.

Former Chief Financial Officer, Grant David Eastwood, is accused of dishonestly using his position to procure services from Cosight Pty Ltd (**Cosight**) to provide services to Statewide. Former Chief Risk Officer, Kieran Francis Netting, is accused of dishonestly using his position regarding a review he conducted connected to the appointment of Cosight to deliver services to Statewide.

Mr Eastwood faces six charges, and Mr Netting faces one charge, of dishonestly using their positions for the benefit of another, contrary to s184(2)(a) and (b) of the *Corporations Act 2001* (Cth). Both defendants have pleaded not guilty and are committed for trial in the District Court of South Australia. A directions hearing is scheduled for 10:30am on 6 June 2025.

ASIC has taken criminal action against various individuals involved in misconduct connected with superannuation, including through the transfer of funds from superannuation accounts to self-managed superannuation funds. However, these cases are not included in this response as they relate to the actions of investment managers, financial advisers, or promoters, rather than conduct by officers or employees of superannuation trustees.