

Australian Securities and Investments Commission

Answers to Questions On Notice

Public hearing: Parliamentary Joint Committee on Corporations and Financial Services

19 March 2021

Division/Agency: Australian Securities and Investment Commission

Question No: 005

Committee Member: Mr Bert van Manen

Question:

Mr VAN MANEN: I just want to take advantage of Mr Shipton mentioning the Moneysmart website. I was reading a report today from Digital Finance Analytics which makes the observation that the 'bank of mum and dad' is now the ninth-largest lender in this country, with people assisting their kids to get into the housing market. What, if any, updates have been made to the Moneysmart website in recent times to ensure that the guidance on that site in relation to those arrangements is up to date and relevant? What, if any, public information campaigns has ASIC undertaken to ensure that the risks of those arrangements are properly understood by all parties?

Mr Shipton: Thank you for that. I'll take that on notice on that level of specificity. You raise a very important point, and I'll make sure we follow up on that.

Answer:

Digital Finance Analytics have undertaken research which reports that a percentage of young people rely on financial assistance from their parents to purchase residential property.

ASIC's Moneysmart website is designed to be a starting point for financial decision making, including when people are considering arrangements related to buying a home. Moneysmart has a dedicated home loan webpage and other supporting webpages providing information to borrowers on topics including "Choosing a Home Loan", "Switching Home Loans" and "Interest-only Loans". The Moneysmart mortgage calculator also assists users to calculate mortgage repayments.

If borrowers are looking to obtain loans from family members, often referred to as the 'Bank of mum and dad', Moneysmart has a webpage titled "Going Guarantor on a Loan" which provides information on lending between family members. ASIC has not undertaken any campaigns relating to these arrangements, however Moneysmart regularly promotes content pointing people to information that might be useful for first home buyers, including encouraging people to save for a deposit and to work out what they can afford to borrow.

Moneysmart is updated regularly to reflect our understanding of financial decisions impacting Australian consumers and investors. These updates are informed by a range of inputs, including from industry and consumer experience.