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Wednesday 3 August 2022

22-205MR Former Dixon Advisory clients should consider lodging complaints with AFCA

Former clients of Dixon Advisory and Superannuation Services Pty Limited (in administration, 'Dixon Advisory') may be eligible for compensation under a potential future Compensation Scheme of Last Resort (CSLR) but they will need to take action as soon as possible.

ASIC will soon be writing to former clients of Dixon Advisory to inform them that if they believe they have suffered loss as a result of the misconduct of Dixon Advisory and/or their former Dixon Advisory financial adviser in providing financial advice, they should make a complaint to the Australian Financial Complaints Authority (AFCA). As complaints may only be made against firms who are members of AFCA, complaints against Dixon Advisory should be made as soon as possible. If Dixon Advisory's AFCA membership ceases then no further complaints can be accepted. We encourage former clients of Dixon Advisory to monitor their mailboxes, inboxes, and spam folder for correspondence from ASIC.

If a former client of Dixon Advisory has already lodged their complaint with AFCA there is no need for them to do anything further at this time.

Lodging a complaint with AFCA is a necessary step for clients to preserve their possible eligibility under a potential future CSLR. However, even if a complaint is lodged with AFCA, a compensation outcome is not guaranteed. This is due to a number of factors, including that:

- A CSLR has not yet been established, and so the scheme's final parameters remain uncertain at this time;
- Dixon Advisory is currently in voluntary administration, and the outcome of the administration process could affect clients' eligibility to compensation; and
- Whether or not a former client of Dixon Advisory is eligible for compensation will depend on the individual circumstances of the advice that they were given, as well as the scope and operation of a CSLR.

AFCA will accept and register complaints lodged against Dixon Advisory while it remains a member. AFCA will then pause further handling of these complaints. Whether the complaints can be progressed will depend upon a number of factors, including the outcome of the administration process, potential class action litigation, as well as whether a CSLR is established and what its scope may be. Further information about AFCA's approach to a CSLR can be found on their website <https://www.afca.org.au/cslr>.

Clients with any questions about the impact of the administration should contact the administrators on au_dass_queries@pwc.com and you can access PwC's Insolvency Cases page [here](#).

AFCA has a website with information about Dixon Advisory which can be found [here](#). You can make a complaint to AFCA [online](#) or by calling 1800 931 678.

Compensation Scheme of Last Resort (CSLR)

The establishment of a CSLR was recommended by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Recommendation 7.1).

The CSLR would facilitate the payment of compensation to eligible consumers who have received a determination for compensation from the Australian Financial Complaints Authority (AFCA) which remains unpaid.

The specifications that would apply to the CSLR, including its commencement, is a matter for Government.

Background information about the CSLR is available on [the Parliamentary Library website](#).

Background

On 19 January 2022 E&P Financial Group Limited made an [ASX announcement](#) about the appointment of the Administrators to Dixon Advisory.

On 4 September 2020 ASIC commenced civil penalty proceedings against Dixon Advisory for alleged conflicts, best interest failures and inappropriate advice (see [20-207MR](#) and [21-167MR](#)). A hearing on liability and penalty took place on 2 August 2022. Judgment has been reserved.

ASIC has suspended the Australian Financial Services licence of Dixon Advisory with conditions including the maintenance of AFCA membership (see [22-094MR](#)).

For information on External Administration please visit [ASIC's website](#).

Last updated: 26/08/2022 05:04