

**Agency:** Australian Small Business and Family Enterprise Ombudsman  
**Question No:** QoN 038  
**Topic:** AMP  
**Member:** Senator O'Neill

**QoN038-07 AMP Restraint of trade arrangements**

**a) The BOLR agreements also have severely restrictive restraint of trade arrangements that prohibit planners from practicing their profession for three years, is that correct? Do the restrictions also include a large geographical exclusion zone of around 100km? Would such an arrangement, if enforced, either force financial planners to leave their communities or leave their professions?**

**Answer:**

We have 1 report that AMPFP withdrew a BOLR agreement because the AMP AR was working elsewhere within the financial planning industry. We have received 25 additional complaints specifically about what is perceived to be the expansive nature of the restraint of trade clause, and 6 complaints specifically relating to the large geographical exclusion zone.

**b) Is this a commonplace arrangement or unusually harsh?**

**Answer:**

Restraint of trade arrangements are common however, in contrast to AMPFP, the restraint of trade clause used by Securitor Financial Group Ltd did not restrict the exiting Authorised Representatives from working in the financial services industry in its entirety.

**Note:**

*The answers provided are based on information provided to us by the 116 AMP Authorised Representatives (AMP ARs) who have sought assistance from this Office. In many instances, AMP ARs have provided an impact statement to our Office, which have been validated where possible. In some instances supporting documentation has not been available, and confidentiality agreements prevent full disclosure by AMP ARs.*

*It is important to note that not all AMP ARs have provided the same information to this Office during our work with them, and while attempts have been made to standardize information received from planners, this has not always been possible.*

*The work of the Office to date has been to:*

- 1. Provide direct assistance to AMP ARs who request it, including offering guidance on alternative dispute resolution options and facilitating communication between the AMP ARs and AMP Financial Planning (AMPFP). This has included arranging mediation where appropriate.*
- 2. Facilitating communication between AMPFP and AMP ARs (and their representatives) in relation to policies and practices that have that have directly impacted the parties.*

*As the Committee is aware, this Office is unable to provide rulings or decisions on these matters, nor provide advice on the legal position of the AMP ARs.*