

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

QoN038-06 AMP Remediation of Costs onto planners

a) Did you find evidence that AMP had pushed the costs of remediating clients onto financial planners?

Answer:

In a conversation with AMPFP on 22 October 2019, AMPFP representatives advised this Office that where AMP ARs had 'followed AMP Policy' in relation to their client interactions, AMPFP would pay client remediation.

6 AMP ARs specifically reported that they perceived that they followed AMPFP Policies, and that they were nevertheless required by AMPFP to pay remediation costs. We have no evidence that AMPFP agreed the policies have been followed.

We have been unable to ascertain how many planners from the total exiting from AMPFP were required by AMPFP to contribute to the cost of remediating clients.

b) Did you find evidence that AMP had held BOLR arrangements over the heads of planners till they agreed to remediate clients out of their own personal wealth?

Answer:

My Office does not have evidence of AMPFP using BOLR arrangements to coerce AMP ARs to agree remediate clients from their personal wealth.

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.