



<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation
<b>Question No.</b>	075
<b>Topic</b>	Referrals to AFCA
<b>Reference</b>	Spoken, 30 April 2024, Hansard page 5
<b>Committee member</b>	Senator O'NEILL

## Question

CHAIR: How many people would you have referred to AFCA?

Mr Day: I'd have to take that on notice, but I would suspect that that's in the high hundreds to a thousand a year.

CHAIR: Would you then follow up with AFCA about the transition of those people and get feedback from them about what's happening?

...

CHAIR: ... I want to raise awareness through the questions that I've asked today, not to lay blame at ASIC's feet for every person who feels like they've been kicked to the kerb. I want to get a sense of the complexity of what you're dealing with. On notice, what's happening with AFCA? How is that happening? What's the percentage that go to AFCA? What's the percentage that's falling into this hole? I take your point Mr Longo and Mr Day, that some people will be very unhappy with what they get because that's all that can be offered. I'm interested in that part where those holes are too, but predominantly interaction.

## Answer

Where appropriate ASIC will direct people to lodge a complaint with AFCA and direct them to ASIC's relevant information sheets, in particular [INFO153](#) and [INFO174](#), and our MoneySmart website.

From 1 July 2023 our standard acknowledgment to any report of misconduct includes information on internal dispute resolution (IDR) and AFCA for external dispute resolution (EDR).

Our Annual Report provides the percentage of reports of misconduct that are resolved as 'referred for IDR/EDR,' as a proportion of total reports finalised. In the period 2018-19 to 2023-24, reports referred for IDR/EDR has ranged between 3% and 6% (between 240 and 470 reports per annum). However, this does not include all instances where we inform people of their options to make an IDR complaint with their financial firm or lodge a matter for consideration by AFCA about a complaint they originally made to their financial firm. We do not capture data on these instances in our systems.

If ASIC refers a person to lodge a complaint with AFCA, we do not follow-up each referral. The complainant/person has standing to make the complaint to AFCA, not ASIC, so they must contact AFCA directly to do so. However, ASIC and AFCA have entered into a Memorandum of Understanding to facilitate efficient and effective sharing of information. We regularly meet with AFCA to discuss matters that have been reported to us and trends in poor behaviour and misconduct. In addition to the statutory reporting obligations to notify ASIC of serious contraventions of the law and systemic issues, AFCA also collects, records and reports statistical information to ASIC about its complaints (as required under [ASIC Regulatory Guide 267: Oversight of the Australian Financial Complaints Authority](#) (para 267.74)). ASIC can identify for example the number of complaints that have been lodged with AFCA about a financial firm and the nature of these complaints. This information is also publicly available at a high level for the latest financial year via AFCA's Datacube: <https://data.afca.org.au/>