



Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
Question No.	014
Topic	Remediation
Reference	Spoken, 5 December 2022, Hansard page 63
Committee member	Senator Deborah O'Neill

Question

We have or will soon have the FAR, the Financial Accountability Regime, and part of the reason for that new legislation, which APRA and ASIC are jointly going to administer, is that we are hoping to deal with precisely these kinds of issues. Perhaps I'll leave it there, but it is certainly something that we talk about not infrequently within ASIC.

Senator SCARR: Thank you, Ms Court.

CHAIR: Can I just ask about something on notice. There were many claims about how much money was going to be returned to individuals. I have asked a series of questions over time about how much has actually been returned and how much is yet outstanding. If you could provide that on notice, I'd be very interested to see how things are going.

Ms Court: Was that particularly in relation to those Westpac contraventions or more broadly?

CHAIR: All of them. If you could separate it out by entity, that would be very helpful.

Ms Chester: Yes, we'll give you an update on the remediation numbers.

Answer

Over more than 6 years to 30 September 2022, ASIC has overseen \$5.89 billion of remediation to an estimated 7.3 million Australian consumers.

As at 30 September 2022, ASIC has monitored at least 160 completed remediation activities and is currently monitoring a further 37 remediation activities*. In relation to these active remediations ASIC is informed that there is a further \$1.495 billion outstanding to be returned to over 2.85 million consumers.

The following table provides an overview of remediation paid or offered to consumers and amounts outstanding, by financial sector over the past 6 years that ASIC is aware of. This information:

- is based on information provided to ASIC. ASIC does not monitor or receive data on all remediations that take place; and
- reflects the point in time it is reported, with the amounts outstanding based on estimates/provisioning so the figures are subject to change as a particular remediation's scope changes or it progresses.

Sector	Amount paid or offered (\$m)	Amount outstanding (\$m)
Investments and advice	\$3,915	\$940
Insurance (general and life)	\$820	\$483
Credit and Banking	\$753	\$55
Superannuation (incl insurance inside super)	\$402	\$17
Total	~\$5,890	~\$1,495

*Note: Of the 37 remediation activities currently underway, ASIC is advised that 67% are estimated to complete by the end of FY 2022/2023.

ASIC reports aggregate figures by sector, rather than entity due to practical challenges, including variability across entities on what data is reported and confidentiality and procedural fairness requirements in relation to data received in confidence or under legal compulsion.

On 27 September 2022, ASIC released its updated and expanded remediation guidance (Regulatory Guide 277 *Consumer remediation*). The guide delivers licensees all they need to achieve the right remediation outcomes on their own and is informed by ASIC's extensive regulatory experience. While ASIC may need to intervene in some isolated cases, ASIC's expectation is that licensees themselves should ensure consumers receive fair and timely outcomes without direct ASIC oversight.