

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

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2014 - 2015

Department/Agency: ASIC

Question: AET 35-36

Topic: Graeme Cowper

Reference: Hansard page no. 91 - 25 February 2015

Senator: Dastyari, Sam

Question:

Senator DASTYARI: You know that obviously much of the focus in the media on the weekend was regarding this financial planner called Graeme Cowper who was the most prolific, it appears from the information that is now in the public domain. Do you know how many clients Mr Cowper had?

Mr Kell: I am not aware of that. We can take that on notice.

Senator DASTYARI: They compensated 30 of his clients.

Mr Kell: Thirty-nine.

Senator DASTYARI: It is 39, and then said they ran out of resources. What information do you have on Mr Cowper? It sounds like you have got something on him because you are going through papers at the moment.

Mr Kell: This is very early days. I hope you understand that this has come up in the last few days.

Senator DASTYARI: How is this early days? It is CommBank all over again. The warning signs have been there. You have been warned about this over time. You went through the entire scandal with the CBA where a lot of these issues had already been canvassed and now we are here, a year later, and it is like: oh wow, this whole new thing has happened with a whole new bank.

Mr Kell: One of the things that we are going to be testing is whether the action taken in relation to Mr Cowper, including the compensation, was adequate. I have explained that it is going to be a high priority for us to assess that.

Senator DASTYARI: Do you have a time frame of when you expect you will have that process completed?

Mr Kell: I do not want to make a promise that I cannot meet, so we will get back to you very soon on that.

Answer:

Based on the information that NAB has provided us, Graeme Cowper had 431 active clients.

In terms of timing and our work to date, the scrutiny of NAB's financial planning business is a very high priority. However, given there is a wide range of issues and material to consider, we are not in a position to provide a detailed timeframe at this time.

Following our preliminary inquiries into NAB Wealth, ASIC has developed 2 main streams of work:

- (i) A review of the NAB Wealth advisers who have provided non-compliant advice; and

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- (ii) A review of aspects of NAB Wealth's monitoring and supervision of advisers and compensation processes.

Our work on NAB Wealth is ongoing and will include an assessment of the adequacy of NABs advice review and compensation processes.

We are in the process of assessing the information provided by NAB on its advisers and we will be considering a number of factors to determine if further action is required in relation to individual representatives.