

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2014 - 2015

Department/Agency: Australian Securities and Investment Commission

Question: BET - 262 - 264

Topic: ANZ

Reference: written - 15 June 2015

Senator: Dastyari, Sam

Question:

In April ANZ bank revealed it had charged more than 8500 customers for services (ANZ Prime Access) that it did not deliver.

262: Has ASIC changed its monitoring of ANZ as a result of this revelation?

263: Was ANZ subject to any penalties as a result of this revelation?

264: Is this evidence that FOFA was an important instrument to prevent customers from being ripped off?

Answers

262: In October 2014 ASIC set up a wealth management project to focus on the conduct of large financial institutions in the financial advice space. In April 2015, we provided updates on the wealth management project in which we advised that as part of the project, ASIC is investigating instances of licensees charging clients for financial advice, including annual advice reviews, where the advice was not provided.

ASIC has been in discussion with ANZ in relation to remediation of customers who were adversely affected by the Prime Access issues. Our ongoing monitoring aims to make sure that ANZ's remediation methodology follows a proper process to fairly compensate all affected customers.

263: As set out in our response to question 262, our work in this area is on-going and as a result we are unable to comment further. ASIC will consider all regulatory options including enforcement action where we find evidence of breaches of the law.

264: ASIC considers that measures requiring advisers to give relevant, timely and personalised information about the cost, nature and type of service a consumer is paying for are important in enhancing transparency and improving client engagement