

A photograph of three people in a professional setting. A woman with short, curly dark hair, wearing a dark blue sleeveless top, is smiling and looking towards a man. The man has short dark hair and is wearing a light blue button-down shirt; he is also smiling and looking at a tablet held by a third person. The third person, whose back is to the camera, is wearing a light blue shirt and is pointing at the tablet. The background is a blurred office or meeting room with large windows and indoor plants.

AFCA UPDATE

AIST Super Insurance Symposium – 17 October 2019

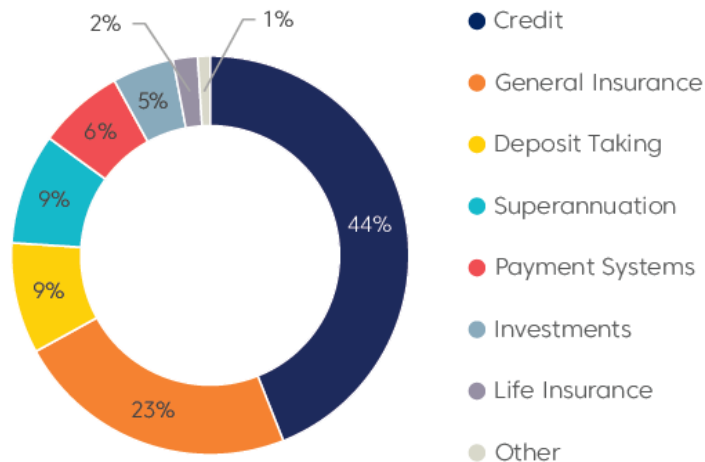


Agenda

- Complaints statistics
- Operational Insights
- Key Observations since AFCA's inception
- What is happening at AFCA?

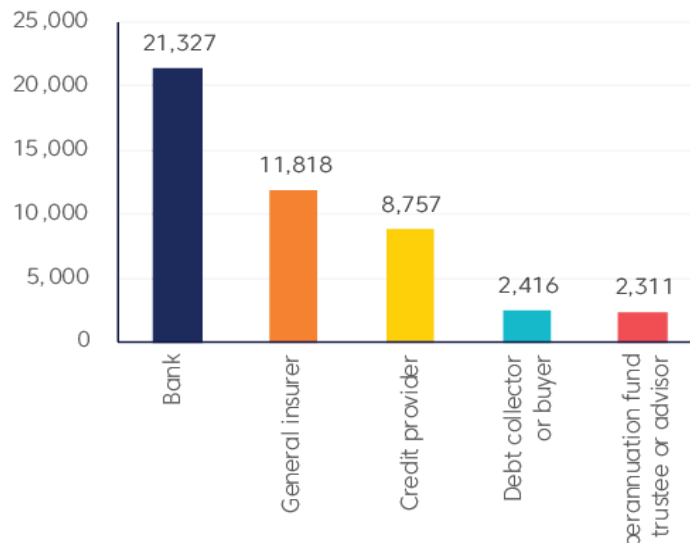
Ten months at a glance

Complaints received by product line²



² One complaint can have multiple product lines.

Complaints received by top 5 financial firm types



16% of licensee members had a complaint lodged against them in the first 10 months

Superannuation complaints

5,259 superannuation complaints received. 9% of all complaints received

47% superannuation complaints were resolved

62% superannuation complaints resolved within 60 days

66% complaints were resolved by agreement or in favour of complainants

Top five superannuation products

Product	Total
Superannuation Account	2,156
Total & Permanent Disability	846
Income Protection	443
Death Benefit	433
Pension	81

Top five superannuation issues

Issue	Total
Incorrect fees/ costs	714
Delay in claim handling	615
Account administration error	391
Denial of claim	333
Claim amount	324

Complaints received

Superannuation

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun -19	Jul-19	Aug-19	Total
Complaints received	538	424	516	536	548	449	503	517	661	567	5,259

- The number of super complaints received was fairly consistent in the last 10 months.

Accepted complaints & non-response rate

Superannuation

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun -19	Jul-19	Aug-19	Total
No response received	13	48	34	51	82	93	76	86	65	89	637
Response received	108	204	244	292	280	264	258	246	317	307	2,520
Total accepted complaints	121	252	278	343	362	357	334	332	382	396	3,157
% of no response	11%	19%	12%	15%	23%	26%	23%	26%	17%	22%	20%

Complaints closed by outcome

Superannuation 1 Nov 18 – 30 Jun 19

Outcome type	Number	Percentage
Resolved by FF (at Registration and Referral)	1,292	41.30%
Negotiation	517	16.53%
Discontinued	384	12.28%
Outside Rules	339	10.84%
Resolved by FF	222	7.10%
Preliminary Assessment in Favour of FF	106	3.39%
Assessment	95	3.04%
Determination Trustee decision affirmed	81	2.59%
Conciliation	44	1.41%
Preliminary Assessment in Favour of complainant	21	0.67%
Determination Trustee decision substituted	16	0.51%
Prelim Assessment: Trustee decision affirmed	9	0.29%
Determination Trustee decision remitted	1	0.03%
Determination Trustee decision varied	1	0.03%
Total	3,126	



OPERATIONAL INSIGHTS

Insurance in Super

- Will first consider as a super complaint and join insurer
- Occurs at case manager level – 28 days for info response – trustee liaise with insurer
- If outside time for super will consider as life insurance complaint under general jurisdiction

Initial Responses

PYS

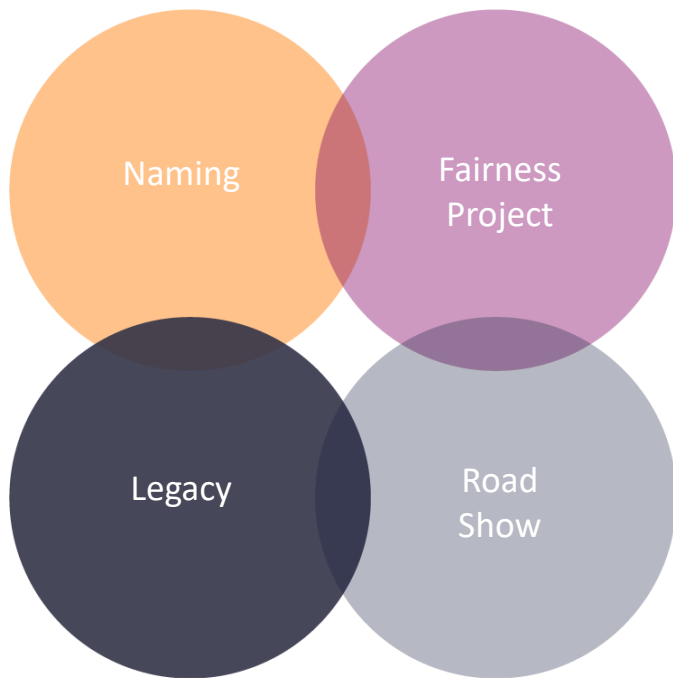
Key Observations since AFCA's inception

- Disclosure Adequacy
- Income Protection
 - Maximum benefits/ Salary/Offsets
- Occupational Ratings
- TPD – new definitions
- Systemic Issues





What is happening at AFCA



Financial firm naming

Fairness project

Legacy complaints

AFCA Roadshow

Public reporting

- AFCA is making changes to its public reporting
 - In line with the broader changes arising from the Royal Commission and regulatory changes, including ASIC regulatory guide 165.
 - ASIC has approved changes to the AFCA Rules to allow the scheme to name financial firms in published determinations.
- In 2019/2020:
 - AFCA will be naming firms in published decisions.
 - Changes to reporting on definite systemic issues – naming of firms involved
 - Changes to AFCA comparative reporting (requirement under RG237)
 - Complaints received numbers
 - Publish every 6 months
 - Come into effect for our AFCA 18-19 comparative reporting.
 - Published in October 2019

Fairness standard

- **Fair dealing**

- Ensuring that one party does not take unfair advantage of another:
 - in the nature of the bargain struck
 - in the circumstances of entering that financial arrangement

- **Fair treatment**

- Ensuring that one party is not treated inequitably or in a way that is adverse to their interests

- **Fair service**

- Delivering quality, professional financial products and services in a manner that:
 - is fit for purpose
 - meets a consumer's legitimate interests and reasonable expectations

- **Fair remediation**

- A prompt and proportionate response when things go wrong

Legacy complaints at a glance

520 legacy complaints received

58% Banking and Finance

21 % Investments

8% Superannuation

7% General Insurance

5% Life Insurance



Top products	Top issues
Superannuation account (62%)	Charges (44%)
Total & Permanent Disability (31%)	Service (25%)
	Denial of claim (19%)

AFCA Financial Fairness Roadshow

- 77+ Locations across Australia
 - September – November 2019
 - Tasmania
 - Victoria
 - Canberra
 - Regional NSW
 - February – April 2020
 - Sydney
 - Queensland
 - Western Australia
 - South Australia
 - Northern Territory




*Concept art





Thank you



More information


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