

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Commonwealth Bank of Australia

CBA49QW:

Do you support a retrospective compensation scheme of last resort?

Answer:

In line with the commitment made in April 2016 as part of the ABA's Better Banking reforms, Commonwealth Bank supports establishing a mandatory, prospective compensation fund that covers individuals and small businesses:

- who have received poor financial advice;
- who have not been paid a determination made by an ASIC-approved external dispute resolution scheme;
- in circumstances where there is validated insolvency or wind up of financial advice businesses; and
- where all other redress avenues have been exhausted.