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MEDIA RELEASE

NAB response to ASIC wealth industry report

Commenting on the release today of ASIC's industry-wide report on the wealth industry, Andrew Hagger, NAB Chief Customer Officer, Consumer Banking and Wealth, said:

"NAB has a strong track record of our culture delivering for customers, in particular doing the right thing.

"Our culture to do the right thing is what drove our 2009 decision to lead the industry in implementing 'fee for service' financial advice in 2009, well ahead of the FoFA reforms.

"And, our culture is driving our continuous improvement within our wealth business, which we have spoken extensively about in recent years."

Mr Hagger explained that today's ASIC report notes that NAB will be compensating some corporate superannuation customers in relation to Plan Service Fees after it proactively reported the issue to ASIC.

"Our approach was intended to be customer-centric, while many of our competitors elected to continue with commission-based legacy products.

"While our intention with the proactive restructuring of corporate super fees beginning in 2012 was to do the right thing in providing greater transparency and we provided better outcomes for many customers, we didn't execute the change well and we're sorry to those customers affected," Mr Hagger said.

As noted in ASIC's report, NAB continues to look at our implementation of the Plan Service Fee and expects to report to ASIC, and publicly, in coming weeks on our progress.

Note to editors:

- ASIC's report primarily focus on the issue of 'Adviser Service Fees', which relate to personal financial advice.
- Plan Service Fees are a fee for general advice and support services provided to plan customers and employers, with the level of fee and services agreed with employers and advisers (the PSF was not for personal financial advice to customers).
- Beginning in 2012, ahead of FoFA requirements, NAB took the proactive decision to restructure its corporate super fees by taking commissions that customers couldn't change, and replacing them with one fee (a Plan Service Fee) for its MasterKey Business Super and Personal Super product that our customers could see and understand

- When NAB realised that its communications to customers around the introduction of the PSF within its MasterKey Business Super and Personal Super product was not clear, we proactively reported the issue to ASIC and will compensate affected customers. We expect the average compensation amount per customer to be approximately \$150.

For further information:

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