

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Westpac

Westpac40QW: Does your organisation support the Product Intervention Power and Design and Distribution Obligation applying to add-on insurance products sold with credit cards and loans?

Answer: Yes, in principle we support the Product intervention Power and Design and Distribution Obligations applying to add-on insurance products sold with credit cards and loans.

We made a submission to the Treasury consultation paper which included a number of material comments on the proposals. In particular, we highlighted that the final drafting of the Design and Distribution Obligations must consider the current financial products regime so that existing complexities are not compounded by the addition of new rules. We consider that there is potential ambiguity in the way the proposed Design and Distribution Obligations and existing regime on personal and general advice will work together. This ambiguity could cause confusion for licensees, their employees and customers.