

Agency: Australian Small Business and Family Enterprise Ombudsman
Question No: QoN 038
Topic: AMP
Member: Senator O'Neill

QoN038-05 AMP Removal of Commissions

Did AMP remove commissions that financial planners were earning, 12 months before the legislatively required date, in January of 2020?

Answer:

9 AMP ARs reported to my Office that the grandfathered commissions had been removed from their BOLR repayment amounts prior to the legislated deadline.

On 6 April 2020, the Australian Financial Review reported that a letter was sent from AMP's Managing Director of Superannuation and Platforms to customers informing them that commission payments owed to their financial advisers for recommending AMP products in the past would cease on "about May 15".¹ The legislated date for ceasing these payments was 1 January 2021.

Note:

The answers provided are based on information provided to us by the 116 AMP Authorised Representatives (AMP ARs) who have sought assistance from this Office. In many instances, AMP ARs have provided an impact statement to our Office, which have been validated where possible. In some instances supporting documentation has not been available, and confidentiality agreements prevent full disclosure by AMP ARs.

It is important to note that not all AMP ARs have provided the same information to this Office during our work with them, and while attempts have been made to standardize information received from planners, this has not always been possible.

The work of the Office to date has been to:

- 1. Provide direct assistance to AMP ARs who request it, including offering guidance on alternative dispute resolution options and facilitating communication between the AMP ARs and AMP Financial Planning (AMPFP). This has included arranging mediation where appropriate.*
- 2. Facilitating communication between AMPFP and AMP ARs (and their representatives) in relation to policies and practices that have that have directly impacted the parties.*

As the Committee is aware, this Office is unable to provide rulings or decisions on these matters, nor provide advice on the legal position of the AMP ARs.

¹ <https://www.afr.com/companies/financial-services/unaustralian-amp-expedites-commissions-ban-20200402-p54gik>