

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: ASIC

Question: AET 142-145

Topic: Financial Ombudsman's Service

Reference: Written - 6 March 2015

Senator: Dastyari, Sam

Question:

According to the Financial Ombudsmen Service (FOS), over the past five years since January 2010, 25 financial services providers have been unwilling or unable to comply with 114 determinations made in favour of consumers by FOS. As at 31 December 2014, the value of the outstanding determinations was over \$12.6 million, and with accruing interest it is estimated that this figure is approximately \$15 million. The Financial Systems Inquiry did not identify (or address) this gap in our financial system, these questions aim to hold the Government to account for the issues identified by the FOS.

Questions

142. Has the government sought policy advice to address this gap?
143. What advice been provided to government to address this gap?
144. What suggestions have FOS members offered to address this gap?
145. What suggestions have consumer advocates offered to address this gap?

Answer:

142. This is a question for the Treasury.

143. This is a question for the Treasury.

144. This is a question for the Financial Ombudsman Service (FOS) and its members.

FOS and its members have made submissions to recent Government and Parliamentary inquiries in relation to compensation arrangements for consumers, for example the Financial System Inquiry and the Senate Economics References Committee inquiry into the scrutiny of advice.

145. This is a question for the consumer advocates.

Consumer representative bodies have made submissions to recent Government and Parliamentary inquiries in relation to compensation arrangements for consumers, for example the Financial System Inquiry and the Senate Economics References Committee inquiry into the scrutiny of advice, and into the independent reviews of the External Dispute Resolution (EDR) schemes. The final report for the independent review of FOS was published early 2014 and for COSL in May 2012.