

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates  
2014 - 2015

**Department/Agency: Australian Securities and Investment Commission**

**Question: BET 245 - 251**

**Topic: CBA Open Advice Review Program**

**Reference: written - 15 June 2015**

**Senator: Dastyari, Sam**

**245. What involvement, or oversight, does ASIC have with the CBA OARP?**

**246. Does ASIC have any concerns that in the ten months since Ian Narev publicly apologised for the behaviour of financial planners, only three customers have been compensated?**

**247. While we respect a review must be thorough, does ASIC have any concerns about the 'glacial pace' of the review process?**

**248. Is there a point where ASIC would intervene in this review process?**

**249. Would it have made sense – administratively – for CBA to make a priority of any customers who made the effort to make a submission to the inquiry or felt the only way they could get a resolution was to go public?**

**250. Does ASIC have a view of whether the CBA OARP could be considered a model other financial institutions could use?**

**251. What improvements would you suggest?**

**Answers**

245. ASIC has no regulatory oversight of the CBA OAR process, which was a voluntary initiative of CBA.

246. We have no comment in relation to OARP.

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248. There is a regulatory framework that applies to all AFS licensees in relation to regulatory breaches and client remediation (for example, the requirement to notify ASIC of significant breaches, and the requirement to comply with processes for internal dispute resolution and external dispute resolution). We would not anticipate intervention in the absence of breaches of regulatory requirements.

More generally, ASIC would assess any relevant breach notification or report of misconduct according to ASIC's normal procedures.

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On 6 May 2015, ASIC announced its intention to develop a regulatory guide on review and remediation programs conducted by Australian financial services licensees that provide financial advice. This follows ASIC's negotiations in recent years with licensees to conduct

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major review and remediation programs by financial advice firms. These programs have been large scale exercises to review personal financial advice provided to retail clients and to compensate those clients where loss has been suffered as a result of non-compliant advice, fraud or other breaches of the law.

We want to ensure that if a financial advice licensee needs to provide remediation, they do so in a way that is fair, honest and efficient. Consumers will have greater trust if they can be confident that any remediation program is consistent and transparent. The new regulatory guide will build on ASIC's recent experience overseeing review and remediation programs, as well as existing ASIC guidance on dispute resolution (RG 165 and RG 139).

In developing the regulatory guidance ASIC will consult with stakeholders including consumer groups, external dispute resolution (ombudsman) schemes, compliance advisers and industry participants.

251. See answer to 250.