

canberra times: q&a

Q 1: Who can you complain to if you feel your planner has done you a disservice and going to their complaints officer has come to nothing? What is the next step?

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A 1: All licenced financial planners are required to have a complaints resolution process and be a member of an independent Complaints Resolution Scheme, all of which is advised in a document called a Financial Services Guide (FSG). This FSG is required to be handed to any prospective client at the earliest opportunity available and contains important information about the adviser and the business including how they are remunerated (such as any commissions paid for using particular products), any conflicts of interest that may exist (such as institutional ownership) and what to do if you have a complaint with any service provided. The complaints process will generally be something like:

1. Discuss your complaint with your Financial Adviser - there may be a simple misunderstanding that can be resolved with a conversation with your adviser.
2. If your complaint is not satisfactorily resolved within 3 days then put your complaint in writing and send to the Licencee of the business (the entity responsible for the advise provided by their licenced financial advisers) attention to the Complaints Officer – many larger businesses would have a separate person who oversees the individual financial advisers and would be taking on board your complaint on behalf of the Licencee.
3. If you still do not get a satisfactory response within 14 days (time for the Licencee to investigate your complaint) then you can escalate your complaint to the independent complaints resolution scheme (such as the Financial Ombudsman Service) – contact details are to be provided in the FSG and there is no cost to you as a consumer to move to this step. The complaints resolution scheme is there to provide a mediation service between the consumer and the Licencee / Adviser and to allow for an independent body of experts to investigate the details around your complaint. A determination may be made in your favor that is binding on the licencee and adviser.
4. If you still feel that your complaint was not satisfactorily resolved by the independent complaints resolution scheme then you can contact the Australian Securities and Investment Commission (ASIC) to explore other avenues to resolve your complaint.

This process is generally effective in handling complaints and as an escalation to a complaints resolution scheme will come at a cost to the Licensee and Adviser, and not to the consumer, then there is an incentive for the complaint to be handled quickly and effectively in-house first.

For information, while many consumer complaints can be due to poor investment performance, in most cases this is not enough to justify wrong doing by a financial adviser where it can be demonstrated that an appropriate advice process has been employed, investment risks have been explained in full and the client has still agreed to put in place the recommended investments.

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Phil Thompson is a certified financial planner and authorized representative of Rise Financial Pty Ltd (ABN 86350987645), AFSL 311718, an Approved Financial Planning Association Professional Practice. Answers should be used as a general guide only and professional advice should be sought before making investment decisions.

Send your financial questions to phil@risefinancial.com.au