



Date: 24th July 2020

Australian Competition and Consumer Commission
CDR Rules Team
Email: ACCC-CDR@accc.gov.au

Dear Sir / Madam

RE: Consultation on minor amendments to the CDR rules

The Financial Planning Association of Australia¹ (FPA) welcomes the opportunity to provide feedback in response to the Australian Consumer and Competition Commission (ACCC) consultation on proposed minor amendments to the Consumer Data Right (CDR) rules.

The FPA supports the aim of the new amendments which are to ensure transparency to the consumer of whom is the recipient of their 'consumer data requests'.

The introduction of the Combined Accredited Process (CAP) captures and mandates the registration of financial planners as 'Principals' of their financial technology (fintech) software 'Providers'. The main concern is how the ACCC will complement the plethora of regulators of financial planners. The process of financial advice is regulated and monitored by seven regulators. Under this context, the FPA is concerned about the administration and cost of maintaining their registration with the ACCC. Many of these regulators operate under or will shortly transition to compulsory fees, cost and levies. This surmounting regulatory cost increases the cost to provide advice, which hinders the Australian consumer's ability to afford financial advice when they require it.

Hence, the FPA seeks clarity on the costs associated with: registering; how often a 'principal' or 'provider' is required to renew their registration and at what cost; whether information on the register can be updated and at what cost; and what sort of costs there may be to terminate the registration. Any additional fees from this CAP arrangement will exacerbate the cost of financial advice, noting we also expect software licensing fees to increase to cover the costs associated with 'providers'.

Secondly, we would note that there are already Government registers of financial planners held with ASIC and the TPB. These registers are also used by the general public to verify the status of their financial planner, accompanied with education resources to help consumers navigate financial providers. The FPA would, therefore, recommend that rather than creating a third register, there is an opportunity to use these existing registers. This provides an opportunity to reduce duplicate administration activity and costs, as

¹The Financial Planning Association (FPA) has more than 14,000 members and affiliates of whom 11,000 are practising financial planners and 5,720 CFP professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We have an independent Conduct Review Commission, chaired by Dale Boucher, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 26 member countries and more than 175,570 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 18 Australian Universities for degrees in financial planning. Since 1st July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- CFP certification is the pre-eminent certification in financial planning globally.
- We are recognised as a professional body by the Tax Practitioners Board

well as assisting with future verification of 'Principals' as these will be mapped to 'CAP Providers'. Alternatively, the ASIC or TPB registers could be used to auto-register financial planners and given the requirement that these are kept up to date can be considered as the source of truth for the ACCC register of principals.

An additional consideration for the ACCC is that in terms of consent, financial planners often act as the representative of the consumer which product providers and are required to maintain 3rd party authority to represent their clients and access their financial information, as well as consent for collection of advice service fees. These are to be mandated on an annual basis depending on the development of recommendations of the financial services royal commission. Thus, FPA recommends that rather than creating a new process or standard, consumers are able to authorise their financial planner as a 'Principal' as part of this existing process. This will assist in minimising cost and regulatory duplication.

We would welcome the opportunity to discuss with ACCC on the issues raised in our submission. In particular, the FPA requests inclusion in any discussions or formulation of the 'Principals' register given the significant role financial planners hold in assisting Australian consumers to understand their financial position.

If you have any questions, please contact me at ben.marshan@fpa.com.au or 02 9220 4500.

Yours sincerely,

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