



# **FAAA Professional Standards**

## **COMPLAINTS**

## **FACTSHEET**

# Making a complaint about a financial planner

While the vast majority of people have positive experiences with their financial planner, if you do need to make a complaint, then there are different bodies responsible for addressing different types of issues. In addition to these specialised organisations, responsible financial firms will welcome complaints and strive to resolve client dissatisfaction in a positive and timely manner.

## **GENERAL TIPS TO CONSIDER BEFORE MAKING A COMPLAINT**

Identify the issue(s) you want to complain about – what is it specifically that you are unhappy with?

Make sure you have a clear timeline of the events which occurred.

Think about what type of loss, if any, you have experienced and what sort of outcome you want to achieve.

Collect any relevant documents and evidence that will help support your complaint. This can include things like letters, emails, reports, assessments, and statements.

If your complaint is made over the phone or in person, make sure to put it in writing afterwards and send it to the relevant firm or organisation – this will make it easier to get the issues you are concerned about addressed.

Stay calm. It is completely understandable to be distressed and frustrated when dealing with financial problems – especially when something has gone wrong – but presenting your concerns clearly and calmly will help you to reach the best possible outcome.

Raise your concerns with the firm in first instance – a responsible firm will actively engage to understand why you are dissatisfied and whether there are steps they need to take to put things right. Most complaints are resolved between the firm and the client.

# If you think you've lost money

If you feel that inappropriate advice has led to you losing money and you have tried complaining to the firm directly, then for most complaints you should contact the Australian Financial Complaints Authority (AFCA).

- If you feel that inappropriate advice has led to you losing money and you have tried complaining to the firm directly, then for most complaints you should contact the Australian Financial Complaints Authority (AFCA).
- AFCA is an independent statutory body responsible for investigating and resolving consumer complaints against regulated financial firms.
- There are no costs involved for consumers in making a complaint, and their decisions are binding on firms.
- Before you complain to AFCA, it is strongly advised that you complain directly to the advisor or the firm that acts as their licensee first using their internal dispute resolution (IDR) process. Many complaints can be resolved at this stage and as such, AFCA will generally refer your complaint to the relevant firm's IDR process if this has not been done already.
- If the matter cannot be resolved directly with the firm, you can lodge a complaint with AFCA.
- A complaint must be made to AFCA within six years after you first became aware, or 'should reasonably have become aware', that you suffered the loss you want to complain about. If you have already complained directly to the financial firm through its IDR process, it must be made within two years of getting an IDR response from the financial firm. Only in special circumstances may AFCA extend the time limits to make certain types of complaints.
- Fill out the [online complaint form](#).
- AFCA will generally try to first resolve a complaint by informal methods and reach a settlement between you and the financial firm through negotiation or conciliation.
- If informal methods to resolve a complaint do not work, or there is a reason to progress the matter without conducting any negotiations or conciliation with the parties, AFCA will make a decision on the merits of the complaint which will be binding upon the firm if accepted by the complainant.

Alternatively, you may also choose to seek redress directly by taking legal action.

- This may be necessary for high value or particularly complex complaints
- You would need to obtain independent legal advice as to the steps involved, the chances of any action being successful and any costs that are likely to be involved.

# If you are concerned that a financial planner's behaviour is unprofessional or unethical

If you believe that the adviser's conduct is such that it is out of line with their professional obligations, you can also raise your concerns with the industry regulator (in most cases this will be the Australian Securities and Investment Commission – ASIC), or a professional association (such as the Financial Advice Association Australia – FAAA) if they are a member.

## AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC)

- ASIC does not settle disputes about financial services or advice, nor can they award compensation or recover money. These matters need to be directed to the advisor/firm through its IDR process, AFCA or the court system (see above).
- You can report misconduct or illegal activity to ASIC through [this link](#).
- ASIC will then make any preliminary enquiries, assess the report, and decide whether to take further action.
  - » ASIC is more likely to take action when it will be in the wider public interest and in line with its objectives of fair and transparent markets and confident and informed investors and consumers.
  - » It is unlikely ASIC will provide details of any investigation they undertake or give you an update with the outcome.
- Reporting misconduct to ASIC does not affect your right to raise a complaint with AFCA, or to take your own legal action to try to resolve the matter.
- ASIC's role is to regulate the Financial Services Industry, including the work of Financial Advisers and Planners.



**ASIC**  
Australian Securities &  
Investments Commission

## FINANCIAL ADVICE ASSOCIATION AUSTRALIA (FAAA)

- The FAAA can only look into concerns regarding its own members, and whether they have breached the Professional and Ethical Standards set out in our Professional Code.



- The FAAA cannot award compensation or recover money. These matters should be directed to the adviser/firm through its Internal Dispute Resolution (IDR) process, AFCA or the court system.
- If you wish to complain about an FAAA Member, we recommend that you first contact the FAAA Professional Standards Team to understand whether the issue is one the FAAA can look into. Contact the FAAA by phone on 1300 337 301 or by email to [professional.standards@faaa.au](mailto:professional.standards@faaa.au).
- Once this has been confirmed, you can then complete the online [Complaint Form](#):
  - » Generally, a complaint needs to be brought within three years of the conduct complained of occurring. The FAAA, however, has the discretion to deal with a complaint about conduct alleged to have occurred more than three years ago in certain circumstances.
  - » After receiving the complaint, the FAAA will determine whether it is a complaint that can be dealt with, make preliminary enquiries, and provide details of the complaint to the member concerned so they can make a submission.
  - » If the complaint has not been withdrawn or dismissed, the FAAA will either issue an infringement notice for a minor instance of unsatisfactory misconduct or commence a disciplinary investigation which upon its conclusion must be reported to the Conduct Review Commission (CRC) for consideration.
- Consumers can also lodge an anonymous complaint through the [FAAA Confidential \(Anonymous Reporting\) Service](#), free of cost.
  - » Your identity will be protected, so be sure to provide some form of contact details for the FAAA to contact you if further information needs to be obtained. Otherwise, the FAAA may be limited in the actions it can take.