
Attorney-General's Department

Via Email: nationalplan@ag.gov.au

17 February 2025

Dear Attorney-General's Department,

Consultation – National Plan to End the Abuse and Mistreatment of Older People

The Financial Advice Association of Australia¹ (FAAA) welcomes the opportunity to provide feedback to the Attorney General's Department on the consultation draft of the National Plan to End the Abuse and Mistreatment of Older People 2024-2034.

The FAAA fully recognises the critical importance of the issue of abuse and mistreatment of older people. This is a terrible form of misconduct, with disturbing consequences, that we believe must be a priority for Government and other stakeholders to address and effectively minimise.

The FAAA is committed to doing everything that we can to play a role in addressing this issue. We stand willing to work with Government, other associations and financial institutions to act upon the National Plan.

Financial Advice Profession and Financial Abuse

Whilst financial advice clients represent all age categories, they are more likely to be in the years leading up to retirement and in the years after retirement. On average, financial advice clients are wealthier than the average Australian, and are thus more likely to have the resources to ensure that they have a comfortable living standard with access to the services that they require. Financial advice clients are getting older as the Australian population ages, with many over 65, and a reasonable proportion much older. An important part of financial advice, is estate planning, which involves making sure that a client's inheritance goes to the right people at the right time. The issue of inheritance impatience is likely to be a factor for some of these older clients, and their financial adviser may have some insight into the challenges this creates.

Another important service that some financial advisers provide is aged care advice. Often this advice is provided to the family as a collective group, particularly if the older person has experienced a medical incident or has lost capacity to make decisions on their own behalf. For this and other reasons, financial advisers will often encourage clients to put in place Enduring Powers of Attorney and to later work with the

¹ The Financial Advice Association of Australia (FAAA) is the largest association representing the financial advice profession in Australia, with over 10,000 members. It was formed in 2023 following the merger of the two leading financial planning/advice bodies in Australia – the Financial Planning Association (FPA) and the Association of Financial Advisers (AFA). With this merger, a united professional association that advocates for the interests of financial advisers and their clients across the country was created.

people appointed to play this role. We are supportive of the work being done by the Governments around the country to standardise EPOAs and to provide important safeguards.

The Financial Planners and Advisers Code of Ethics places a great deal of focus on acting with integrity in the best interests of clients and only with the client's informed consent. In their role, financial advisers develop a great deal of understanding of their clients, their domestic circumstances and their family dynamics. The function that financial advisers play in the oversight of their client's financial affairs is likely to enable them to see warning signs of financial abuse.

However, feedback from FAAA members noted that the financial services industry lacks clear and consistent protocols and guidelines on handling suspected abuse cases, including how to approach the client, who to report the abuse to, and what legal protections are available for both the client and the financial adviser. Barriers such as privacy obligations and inadequate whistleblower protections can impede collaborative efforts to address financial abuse. Addressing these issues is critical to ensuring financial advisers can receive the appropriate training and support to detect the warning signs of the abuse of older people, and know how to respond to help their client in a safe and secure manner.

National Plan's recognition of Financial Advice

We welcome the recognition in the National Plan of the important role of financial advice, and the reference to increasing education for professionals 'to better understand how to prevent, recognise and respond to ageism, abuse and mistreatment' in Principle 4. This is further referenced in Focus Areas 1, 2 and 3. We would also support the development of a greater evidence base with respect to abuse in a form that is relevant to the financial advice profession and their clients.

As set out in our recommendations to the recent PJC Inquiry into financial abuse², we would encourage the Department to consider including in the National Plan:

- The development of consistent protocols and guidelines on handling suspected abuse of older people;
- The establishment of standardised reporting mechanisms for professionals and the financial services industry;
- An advisory service to help professionals and the financial services industry dealing with suspected financial abuse of clients;
- A review of the Privacy Act and Whistleblower protections to ensure these regimes support individuals reporting or assisting Australians suffering from suspected financial abuse.

We strongly support the proposition that tailored education and training on the abuse and mistreatment of older Australians must be developed and made available to professionals in relevant fields. We would be

² [Submission 65](#) to the PJC Inquiry into financial services regulatory framework in relation to financial abuse, 2024

very willing to work with the appropriate people within the Attorney General's Department and other key stakeholders in relation to this work. We would also recommend that the Attorney General's Department appoint liaison officers to work with bodies such as the FAAA to assist with the development of these programs and rolling them out to our members.

Actions Being Taken by the FAAA

We have started work on educating our members on these matters, including through running a session in our upcoming March/April 2025 National Roadshow on "Protecting the Vulnerable: Tackling Financial Abuse with Ethics and Action". We will build on this, however welcome any support and assistance from Government, other associations and institutions who have already done a lot of good work in this space.

We believe that it is important that training is provided to financial advisers so that they can detect warning signs of the abuse of older people. Training also needs to be provided to them on what they should do in reacting to these warning signs. It is critical that they understand the scale of this issue and the potential for it to impact their clients. Awareness of the issue, and understanding of case studies and a knowledge of what resources are available will make a significant difference in their ability to respond.

Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Financial Abuse

The December 2024 final report from the PJC Inquiry into financial abuse included the following two recommendations that are directly relevant to the financial advice profession

Recommendation 37 - That accounting bodies, financial advice and planning peak bodies, and victim-survivor advocate organisations co-design education resources for service providers to enable increased identification of financial abuse and timely reporting of suspected abuse to financial institutions and law enforcement bodies.

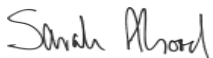
Recommendation 38 - That accounting, financial planning and financial advice industry bodies develop and review ethical obligations of their profession in relation to receipt of instructions which may have a financial abuse motive and institute accompanying penalties for members who actively enable or facilitate financial abuse on behalf of their clients where there is no other reasonable basis underlying the instructions given by the client.

However, we are concerned by the lack of recognition in the Report of the barriers for financial advisers to assist clients who may be victims of financial abuse. Regardless, the FAAA is supportive of these recommendations and we are willing to play a leading role in the delivery of this training. We do, however welcome whatever support and materials that we can get to assist us to do this.

Conclusion

The FAAA strongly supports the implementation of the National Plan to end the abuse and mistreatment of older people. We are committed to working with Government and other bodies to assist in the achievement of this objective. Please contact me on (02) 9220 4500 or via sarah.abood@faaa.au if you have any questions.

Yours sincerely,

A handwritten signature in black ink that reads 'Sarah Abood'.

Sarah Abood

Chief Executive Officer

Financial Advice Association of Australia