

To:
General Manager,
Retail Investor Division
The Treasury

18 February 2014

I submit the following points to the Future of Financial Advice regulatory revision. I have had a number of years experience in the financial industry and number both financial advisers and their clients among my acquaintance.

1. It is my conviction that any weakening of Section 961 of the Corporations Act will enrich banks and financial advisers at the expense of consumers of advice. The level of financial sophistication of many clients of advisers is such that they can easily be led into inappropriate products that reward advisers excessively.
2. Again, there should be no weakening of the provision for preventing conflicted remuneration. Ongoing upfront or trailing commissions have been the bane of the industry and fee for service should be the only basis for the relationship between client and adviser.
3. It appears that the amendments to the regulations are intended to increase the flexibility of the adviser and the product provider (particularly the banking sector) at the expense of the client. The changes are undoing previously good legislation.

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