

# Greater retirement outcomes through assistance and advice

UNISUPER SUBMISSION TO QUALITY OF ADVICE REVIEW

17 June 2022

## About UniSuper

UniSuper is one of Australia's largest super funds with more than 500,000 members and close to \$110 billion in funds under management. With a heritage of supporting the higher education and research sector, UniSuper opened its doors to all Australians in July 2021.

### UniSuper Advice Awards

UniSuper's expert advice team helps members at all stages of their financial journey by providing advice and assistance on how best to manage and grow their superannuation and wealth. In the past year alone, the team supported more than 74,000 advice interactions with members. UniSuper proudly has been recognised with the Chant West Best Fund: Advice Services in 2022, 2020, 2019 and 2017. As a fund that prioritises the retirement outcomes of its members, UniSuper is dedicated to providing quality advice and assistance to members which is an important driver of greater retirement outcomes.

### About this submission

UniSuper would welcome the opportunity to discuss the submission further and to provide additional information in respect of the comments made in this submission.

Should you have further queries, please contact Benedict Davies on (03) 8831 6670 or [benedict.davies@unisuper.com.au](mailto:benedict.davies@unisuper.com.au)

## Overview and key issues and recommendations

Retirement advice and assistance is an important part of how UniSuper helps our members achieve greater retirement outcomes. Our members look to us in the lead up to and into retirement for both assistance and advice.

A recent survey by Frontier Advisers<sup>1</sup> found that over 80% of surveyed members want some form of assistance (be it guidance, information, a recommended solution, paid advice), and only 20% of those surveyed preferred to be left to themselves to navigate what can be a very complex landscape.

It's clear that members expect assistance from their super fund. They also expect funds to be able to explain the features and benefits of the fund and its options. At one level, this is no different to other consumer products where many consumers seek to make choices about how to use the product in a way that suits their needs.

The move from accumulation to retirement has obvious frictions. Simplifying the process of drawing on accumulated savings is an important part of assisting members across different life stages. The introduction of the Retirement Income Covenant further underscores this friction and highlights the importance of advice and assistance to members to:

- maximize their expected retirement income;
- manage expected risks to the sustainability and stability of their retirement income; and
- have flexible access to expected funds during retirement.

The retirement income covenant focusses squarely on providing assistance to members and achieving greater retirement outcomes, and part of that will be achieved through tailored guidance or advice.

With industry consolidation, population ageing and clear member expectations, the challenge for many super funds remains to build scale for both advice and assistance. While many members will continue to seek comprehensive financial advice, delivering limited scoped and intra fund advice on single topics is also going to be important to meet this need.

We acknowledge that not everyone will need comprehensive financial advice, and we expect many super funds to develop tools to assist those members with simpler needs or those who wish to be empowered to make their own decisions. Digital tools, such as decision support tools, will be increasingly important. Decision support tools aim to help members make decisions themselves.

What is increasingly clear is that members have differing advice needs at different life stages and this requires a comprehensive advice offering. Access to high quality and affordable advice and assistance, therefore, remains a key part of how superannuation funds will support their members into and during retirement.

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<sup>1</sup> Frontier Advisers, *What Members Want in Retirement*, 27 April 2022, [What members want in retirement - Frontier \(frontieradvisors.com.au\)](https://www.frontieradvisors.com.au)

## RECOMMENDATIONS

UniSuper has significant experience in delivering assistance and advice to members and we have identified a number of recommendations to improve the affordability and access to assistance and advice for superannuation fund members.

**Trustees must continue to be able to provide advice on their own products** – No organisation is better positioned to provide low-cost or no direct cost advice on a superannuation product than the organisation that operates the product. It is essential that this *status quo* be retained into the future.

**Trustees must be able to provide general advice to their own members instead of just personal advice** – General advice is the area of advice where a trustee can do the *most* amount of good for members for the *lowest* cost to members and with the *lowest* amount of reliance risk amongst members

**There needs to be a crystal-clear distinction between ‘advice’ and information** – While it seems like such a simple distinction, there is an uncomfortable ambiguity about whether and when factual information can take on an influential character which is sufficient to render it ‘financial product advice’. This creates a risk that courts and regulators might treat the interaction as ‘advice’ when it was really just factual information or logical inference in a particular context.

**Targeted advertising and case studies should not be regulated as advice** – These sorts of materials can provide meaningful guidance for little or no cost, however, there should be absolute certainty that this does not constitute ‘advice’, let alone ‘personal advice’. We believe there is a real opportunity to clarify that meaningful, technical illustrations of financial scenarios can be portrayed outside of the regulation of genuine financial product advice.

**Sole purpose test should be revisited in light of the retirement income covenant** – With the retirement income covenant contemplating trustees offering assistance to members which takes into account their non-super retirement assets, we recommend that the sole purpose test be broadened accordingly. This will facilitate trustees investing in the capability to offer that broader assistance while at the same time permitting members to pay for that type of advice using their superannuation account even though the advice does not relate solely to their superannuation interest.

## 1. UniSuper's Advice offering

UniSuper employs around 100 staff to deliver personal and general advice nationally. Through this service we provide personal advice, general advice and information to over tens of thousands of members each year and we anticipate increased demand to cater for our expanding membership.

Our overarching aim is to:

- Support members to make informed choices through education and guidance right through to those who need personal advice from an expert
- Satisfy members' differing advice needs (at different life stages and trigger points) through a scaled and comprehensive advice offering while ensuring members deal with the right service first time
- Improve access to and affordability of our services resulting in increased take-up of advice and improved outcomes for more members

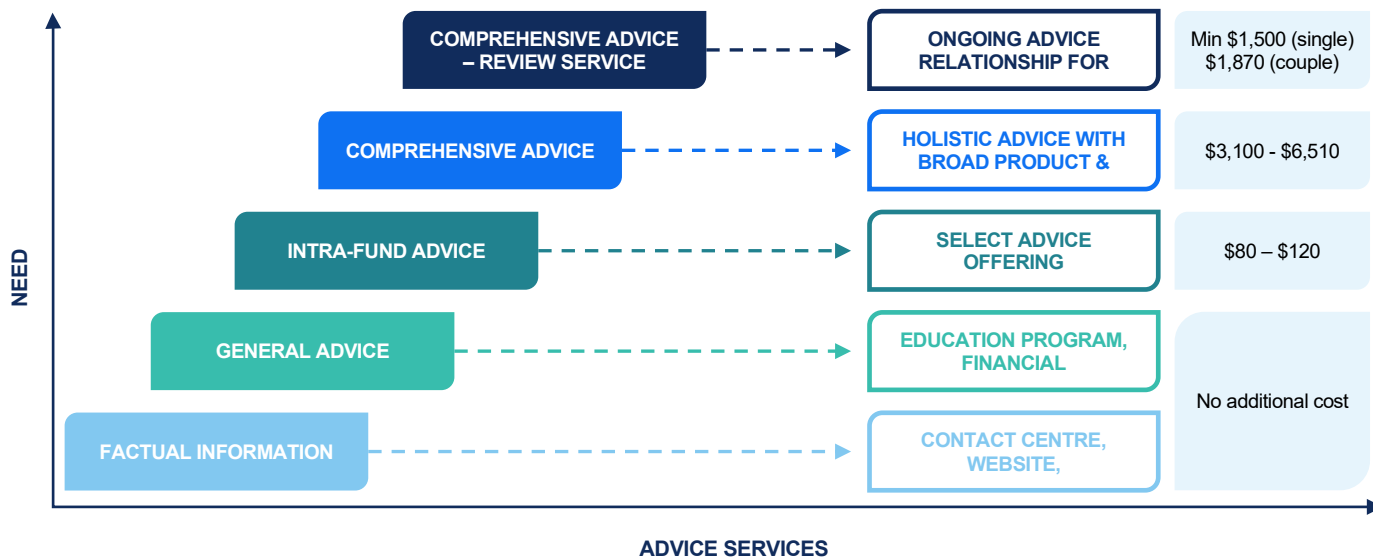
We know that access to quality financial advice is critical in helping our members achieve a comfortable, confident and secure retirement.

Our model is focused on providing advice that suits the needs of our members to achieve their retirement outcomes and covers a wide range of needs.

Financial Assessment Consultants – General Advice	Superannuation Consultants – General Advice	Financial Advisers – Select (Intra-fund) Advice	Private Client Advisers – Comprehensive Advice	Client Services team – Comprehensive Advice	Review Advisers – Comprehensive Advice
<p>Contact centre for financial advice</p> <p>Assess members' advice needs and direct them to the appropriate advice service</p> <p>Provide general advice</p>	<p>Provide general advice at the workplace &amp; CBD offices. Video &amp; phone meetings also available</p> <p>Assess members' advice needs and direct them to the appropriate service</p> <p>Deliver education program through seminars &amp; online webcasts</p>	<p>Provide scaled, intra-fund advice over the phone or via video meeting</p>	<p>Provide comprehensive advice (super &amp; non-super) via video meeting or in person (CBD and workplace)</p> <p>Deliver education program through seminars &amp; online webcasts</p>	<p>Implement comprehensive advice recommendations</p> <p>Assist with external product research</p>	<p>Support Private Client Advisers in delivering review/ongoing advice</p> <p>Associate adviser type role</p>



Advice services have been designed to cover a wide range of needs from simple factual information to intra fund advice (which we call Select Advice) to comprehensive advice as follows:



Services are provided to UniSuper members along a continuum from factual information to general advice to personal advice. The type of service provided depends on member needs. Contact with UniSuper’s Financial Advice team commences with either the member contacting the Financial Advice Centre (and speaking to a Financial Assessment Consultant) or booking an appointment with a Superannuation Consultant.

Both these services provide factual information and general advice to support members making informed choices about their superannuation. Where appropriate, a member is referred to a Financial Adviser or Private Client Adviser where personal advice is required. A referral is made to the former where the member’s advice needs are generally limited to intra-fund advice, whilst a referral is made to the latter where the member has more holistic advice needs.

Fees are charged where a member formally engages with either a Financial Adviser or Private Client Adviser. Importantly, members expressly agree to the fee to be charged prior to work commencing.

**Under our advice model**

UniSuper strongly believes in supporting our members to make informed choices about their super. To that end, and as noted above, we offer our members a fully developed advice capability that assists the member make appropriate financial decisions in the lead up to retirement and then supports the member through the transition from accumulation to retirement phase, and throughout retirement.

These services are available in person at a range of locations across the country including at the workplace for those working in the higher education & research sector as well as an option to access via video-link.

We routinely survey members who have received advice. For the financial year to April 2022, we have surveyed over 4,000 members who have received advice (general, scope and comprehensive) and 88% of respondents have rated the service nine or more out of ten.

We’ve also won a string of awards and high ratings from Australia’s top ratings and research agencies.

Our financial advice service won the Chant West Best Fund: Advice Services in 2022, 2020, 2019 and 2017. While we already know that our financial advisers deliver the best quality in general and personal advice, it’s rewarding that others recognise this too.

## 2. Research on what members look for in quality advice

Research undertaken by UniSuper in 2019 sought to understand the experience of members in engaging with UniSuper's Advice service. By design, we included those who had and those who had not progressed to paid advice.

The research revealed that members were looking for both expertise and trust before making a decision to engage an adviser. The process of evaluating an adviser's expertise proved to be an important step for many. The research revealed that a lot of members "adviser shop" by attending seminars to find the right fit for them. Expertise is associated with being able to talk about financial matters confidently without using advice jargon.

Before booking any appointments, some members used our education program of webcasts and seminars as an opportunity to assess the credibility, expertise and personality of an adviser prospect.

Decisions regarding whether or not to proceed with advice were then made following the seminar experience. For example, one member attended 4-5 seminars with their spouse before making a decision as to whether or not they would seek advice with UniSuper, and which adviser they specifically wanted to meet with.

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*"We went to see him present at a seminar so we could glean what sort of person he was."*

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In our experience, people seeking comprehensive financial advice are seeking a very personal service that is human rather than formulaic and generates confidence in subsequent advice that would directly relate to and be tailored for the member - it was a motivator for proceeding to the paid stage because it was an indicator of value.

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*"[My UniSuper Adviser] responded in a human way to human circumstances. We thought they're going to give us a very good idea about what we can do in the future... shows they've got our best interests at heart. He took the time to understand my life, so I felt comfortable."*

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There is always going to be a role for a comprehensive advice service and there is good evidence that it is highly valued by those who use the service.

### **Trust and quality go together**

Our research also indicated that UniSuper's reputation preceded getting advice in many instances – this was based on strong investment performance over the past few years, being profit-to-member and recent industry awards. The strong reputation of UniSuper as a fund made it easier to trust UniSuper's Advice team.

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*"There's a moral compass about this institution... they're not there to rip people off. Industry super funds provide an umbrella of security. It's an organisation that keeps an eye on their integrity. We've been delighted so far with UniSuper."*

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**Quality advice is also based on industry experience and expert knowledge**

Our research also indicated that word of mouth, in our case, across the university sector plays a key role in seeking advice from trusted experts.

Hearing first-hand about the positive experiences of colleagues gave many members confidence to reach out for comprehensive advice, book an on-campus consultation meeting and/or attend a seminar.

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*“[My colleague] is really well set up now and spoke really highly of the experience with his UniSuper adviser. I heard about it, and I thought yeah, I should do that too. It sounded beneficial.”*

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Our research indicates that members seek out expertise and trust in an advice provider. The challenge remains how to support more members, not all of whom will want or need comprehensive advice.



### 3. Challenges in delivering assistance and advice – observations and recommendations

The major challenge we see is with access and affordability to both intra-fund and comprehensive advice. Access to affordable advice is enhanced by maintaining intra fund advice and by making it easier to offer limited scope advice where the clients advice needs include matters outside intra-fund advice.

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It's clear that members expect assistance from their super fund. They also expect funds to be able to explain the features and benefits of the fund and its options.

At one level, this is no different to other consumer products where many consumers seek to make choices about how to use the product in a way the suits their needs.

The UniSuper model of advice allows members to choose their selected pathway of support depending upon their needs.

The move from accumulation to retirement has obvious frictions. Simplifying the process of drawing on accumulated savings is an important part of assisting members across different life stages. The introduction of the Retirement Income Covenant further underscores the importance of advice and assistance to members to:

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## Key observations

### Financial product advice, financial advice and assistance

#### Charging for intra fund advice

There is a misconception that intra-fund advice has to be given free of charge. That is not true and there are good reasons to charge a fee to members to access the service.

The cost of accessing advice is always going to be one of the key considerations for consumers of advice services. Superannuation funds have to balance the needs of all members in delivering member services, including advice services, and face a difficult decision about what to charge for advice.

On the one hand, charging low or nominal fees would ensure broader access to a valuable piece of advice, however, this, in our experience, leads to the service being overused by a small cohort of members.

Charging an appropriate fee, on the other hand, ensures that those who receive the service will put a value on the advice they receive and are more likely to act on it.

While most funds do not charge a fee, we have made a decision to charge our members a fee for the delivery of intra-fund advice. While there is no legal obligation to charge members for intra-fund advice, we believe it is important that those who receive the benefit of the service pay for the advice they receive. We also believe that charging a fee helps put a value on the service and makes the advice more likely to be implemented. Around 75% of our Select Advice gets implemented with members who use a self-implementation guide as part of the service.

Recently, to improve access to and affordability of Select Advice, we reduced the fee from \$530 to \$80 for advice on a single topic. Since the Select Advice (i.e. intra-fund advice) fee reduction in October last year, there has been a 62% increase in members advised through the service.

Our model and pricing may not be suitable for all superannuation funds, particularly for funds with large cohorts of lower income earners. But we think our approach strikes the right balance for our membership.

#### Scoped advice

Overlaps between the Corporations Act Best Interest Duty and the financial adviser Code of Ethics increases the difficulty in providing limited scope advice (advice that does not cover all of the needs of the client that are possible to be addressed under the adviser's Licence and Authorisation). There is good evidence that many members are after advice on a piece-by-piece basis.

Limited scope advice, by its very nature, does not address certain issues based on the nature of the advice the member is after. This can help reduce the cost of advice, while at the same time addressing the expressed needs of the member and enable improved understanding.

#### Regulation of influencers

The potential regulation of influencers is a topical issue. The current licensing regime focusses, in part, on whether a person is carrying on a financial services business. As part of your review, you might wish to consider whether that provides a useful direction (by analogy) to the regulation of influencers. For example, perhaps the need for regulation is greater where influencers are carrying on a business, receiving payment or other rewards for endorsing financial products, and perhaps 'cash for comment' regulation in other areas is a useful reference point, with there being a requirement to disclose commercial arrangements underpinning endorsements. Of course, where comments are misleading and deceptive, ordinary laws against misleading and deceptive conduct ought to apply.

#### Accountants giving financial advice

We do not support the relaxation of the regulations insofar as they apply to accountants providing advice on SMSFs. No matter how well versed an accountant (or any person) might be in SMSF-related issues, the simple fact is that virtually any person establishing a SMSF will have an existing superannuation interest already and the question of

establishing a SMSF inevitably requires a consideration of whether the SMSF is superior to the product which the person already holds. This naturally requires consideration of the features and benefits of the existing product, including investment performance, fees and insured benefits – not to mention consideration of alternative options with other funds – which is the province of a licensed financial product adviser.

## **Technology for delivering advice to consumers**

### **The law predates technological solutions**

The current law is not suited to and impedes digital solutions. It involves a degree of fiction to treat an online app (which effectively performs the role of a handheld scientific calculator of the kind carried by most high school students to show the effect of compound interest) as if it were a human financial planner. Regulatory relief to permit online calculators and retirement forecasts is too prescriptive as a result of the fiction of treating a 'compound interest calculator' the same way as a financial planner is regulated, in circumstances where well known spreadsheet software (which can do the same) are entirely unregulated. There must be a better and smarter way for issuers to assist members to help themselves in a general way without having to constrain themselves to default assumptions when better assumptions might exist.

It should also be clarified that an online calculator can relate to a particular financial product (for example, by using assumptions which relate to actual investment performance and return targets and actual fee rates for actual products) without transgressing the regulatory relief.

### **Digital tools assist intra fund advice**

Technology is particularly helpful when delivering intra fund advice. UniSuper has found that intra-fund advice is delivered more efficiently (and at a lower cost) by phone and digital means (i.e. video meetings). We have experience in providing intra-fund advice through these channels as well as face-to-face.

Delivering intra-fund advice in person takes longer, resulting in a higher cost to serve. Our experience also shows that the take-up of intra-fund advice is not heavily influenced by the method of delivery i.e. face-to-face contact does not result in substantially higher take up of intra-fund advice than other means of delivery. For efficiency and cost reduction purposes, the production of intra-fund advice is best achieved through harnessing technology using a system designed to produce the written advice with tailored processes and templates.

We appreciate that not all Financial Advice businesses will have the ability to purchase "back-office" advice systems or modify existing ones to enable the efficient delivery of intra-fund advice at an affordable cost. Larger businesses with scale advantages are likely to more easily achieve this. Scale also helps invest in digital advice and decision support tools.

### **Digital tools to support decision-making**

Digital advice has the potential to improve access to cost effective advice for many; however, the term digital advice is not always clearly defined but we mean it to be a range of digital tools that assist in both the production and delivery of advice.

Digital tools can assist in the currently cumbersome data collection and fact find process. We anticipate substantial efficiencies over time, particularly once the Consumer Data Right is rolled out more broadly across the economy.

Digital tools that assist members check if they are on track for retirement or assist members to make their own decisions will also be important.

### **Robo-advice**

Digital advice, sometimes called robo-advice, has the potential to deliver advice in ways that were not feasible in the past but for this service to be successful, trust in the party behind the advice will be the key.

Some argue that the technology is in its infancy and is not yet sufficiently developed. It may not be able to identify, for example, those who actually need broader advice. Under current Corporations Act duties, where provided by a licensee, an inability to identify suitability of the scoped advice means that Licensees who offer the service are at risk of

breaching Corporations Act Best Interest Duty. It is equally uncertain if and how the requirements of the Code of Ethics apply.

At this time, new technology and the consumer data right offer the greatest potential for efficiencies in streamlining the data collection process, enabling meeting time to focus on goals and objectives and reduce the cost of collecting that information.

## **Principles-based regulation**

### **SOAs are too long**

Generally, SOAs are too long and compliance-focussed rather than comprehension-driven. Members want information that is relevant that they can easily understand and see how much it has cost them.

Much like other disclosure documents, SOAs have become compliance documents which are far too long, which hinders readability and accessibility. Our understanding is that across the broader industry statements of advice can run at times be up to 100 pages long. We hope that the Review can identify opportunities to shorten these disclosures. For example, to the extent that statements of advice include disclaimers and defensive or protective language, we query whether there are opportunities for regulatory safe harbours and defences to be created which avoid the need for lengthy disclosure, and possibly the creation of industry standard charters (which clarify liability which is accepted and disclaimed) which can be incorporated by reference.

### **Best interest duty and the code of ethics**

Currently, advisers have a Best Interest Duty in the Corporations Act and one in the Code of Ethics (Standard 1). In some regards, the Code of Ethics (CoE) goes beyond the statutory best interest duty which means that this may not be satisfied even if the statutory obligation is satisfied.

The CoE is principles-based regulation which, in effect, makes other forms of prescription statutory regulation redundant. For example, the Replacement Product obligations in the Corporations Act. This provision only adds to the size of the statement of advice and does not directly aid in providing advice that is in the member's best interests.

CoE Standard 6 imposes an additional obligation to consider broader effects of the client acting on the advice. This Standard is yet to be tested by complaints tribunals or courts on how this will be applied, so there is some uncertainty on how broad it may be, and whether it exceeds the requirements under the Corporations Act Best Interest Duty. Some guidance was provided by FASEA, but as it no longer exists, there is uncertainty as to whether it remains relevant.

This affects the provision of scoped advice (advice that does not cover all of the needs of the client that are possible to be addressed under the adviser's Licence and Authorisation). Scoped advice deliberately avoids addressing certain issues in order to make the advice more manageable (to reduce cost or enable improved understanding), or to enable specialised advice to be provided by those advisers with that specialist knowledge while broader advice is provided by generalist advisers.

### **Scoped advice and ASIC guidance**

ASIC Guidance has been valuable in this area, however, there is still insufficient guidance on the application of the CoE to existing limited scope advice which leads to some uncertainty. There is debate in the industry about the extent of the impact, and that difference of opinion creates additional uncertainty leading to higher costs as many advisers are only providing broader advice considering broader member needs. Where members are able to expressly limit the scope of the advice, lower cost advice can be delivered with more certainty.

### **Advisers and the Design and Distribution Obligation (DDO)**

DDO appears to exempt the financial advice process from these obligations; however, subsequent ASIC guidance creates some uncertainty in that it suggests there is an expectation that the target market determination will be considered in the process. DDO appeared to be created for situations where products are purchased in isolation, whereas the financial advice process looks to combine different products with different objectives to appropriately match products to the needs of members.

We suggest that it is worth clarifying that personal financial advice sits outside that DDO obligations and that consumers can rely on the CoE and Best Interest Duty.

### **The state of the insurance market warrants consideration**

We bring to your attention the current state of the insurance market for financial product advice. This is not something which your consultation paper has called out for attention. Significant claims of the kind arising during and following the Financial Services Royal Commission have made it increasingly difficult to obtain insurance in respect of a financial product advice business. The cover is increasingly costly, and the deductibles have increased significantly. Often the deductibles exceed what would typically be regarded as a representative account balance, making the prospect of the insurance ever being utilised an unlikely one (since a claim will be uninsured if the person's account balance – that being the most which could be lost – is less than the deductible). We encourage the Review to take this into consideration with a view to addressing the underlying causes so that consumers and industry benefit from the resilience which having access to cost-effective insurance provides. If the industry is not able to secure cost-effective insurance, either at all or only with deductibles which are unlikely to be exceeded, this ultimately affects the cost of financial product advice to the extent the premiums or uninsured risks are priced into the cost of the advice.

## **Key recommendations to promote access to affordable assistance and advice for super fund members**

### **Recommendation: Trustees must be able to provide advice on their own products**

The current law recognises that a superannuation trustee is able to provide financial product advice to its own members on their own products. It is essential that this status quo be retained into the future. No organisation is better positioned to provide low-cost or no direct cost advice on a superannuation product than the organisation that operates the product. An organisation has an inherent and intrinsic familiarity with its own product range which can be economically and efficiently utilised to provide assistance to the holders of those products. In a fund like UniSuper, where most members have joined as default members, it is very much the reality that most people seeking advice are *already* holders of the product, and it would be a complete inversion of fact to think that most people acquire the product because of any advice that they obtained from the trustee before joining. This is most pronounced in the context of defined benefit funds, which are often not widely understood even amongst advisers who tend to be most acquainted with accumulation funds. If trustees of defined benefit funds cannot advise on their own defined benefit funds, this would likely lead to a gap in the market such that members might not have access to any competent advice on a defined benefit product at all (or perhaps only at high cost since an adviser may need to educate themselves about a particular defined benefit fund on an ad hoc basis).

### **Recommendation: Trustees must be able to provide general advice to their own members instead of just personal advice**

Once it is accepted that a trustee must be able to provide personal advice on their own products, it follows that a trustee must be able to provide general advice on those products. Indeed, general advice is the area where a trustee can do the *most* amount of good for members for the *lowest* cost to members and with the *lowest* amount of reliance risk amongst members. It is very concerning that, after the High Court's decision in the Westpac case, there is conjecture that a trustee can never give general advice to its own members and can only ever give personal advice (or such generic information that falls short of even being advice). The issue arises because trustee corporations do, as a matter of fact, hold information about various aspects of their members' financial circumstances, even if the particular employee liaising with a member has no access to that information. This, coupled with the fact that members are aware that trustees must act in members' best interests, creates an unacceptable risk that courts might hold that, in a particular situation, there was an expectation that the member's personal circumstances had been taken into account, rendering any advice to be 'personal advice' even though – as a matter of practical fact – it was only general advice. We hope that this can be addressed through the Review, so that there is no regulatory fetter on trustees providing access to affordable (or at no additional cost) general advice to their own members, many of whom are only seeking assistance in connection with a product which they already hold. For example, 85% of the Advice team's interactions with UniSuper members takes place through our general advice service.

**Recommendation: There needs to be a clearer distinction between ‘advice’ and information**

While it seems like such a simple distinction, there is an uncomfortable ambiguity about whether and when factual information can take on an influential character which is sufficient to render it ‘financial product advice’.

Sometimes factual information, when presented in a context where the listener has articulated particular aspirations, can highlight a particular course of action which would clearly be more consistent (or inconsistent) with some other course of action. For example, factual information about how particular transactions would be taxed if undertaken at particular times can highlight courses of action which are more consistent with the listener’s objective than some other course of action.

This creates a risk that courts and regulators might treat the interaction as ‘advice’ when it was really just factual information or logical inference in a particular context. This also increases compliance costs because forensically assessing whether particular communications are ‘advice’ or ‘factual information’ can be lengthy and typical processes.

**Recommendation: Targeted advertising and case studies should not be regulated as advice**

In our view, consumers would be unlikely to place the same level of reliance and would have lower expectations regarding materials which are clearly identifiable as being generic and unsolicited (and which are often positioned as materials created from an engagement, educational or financial literacy perspective) than they would place on advice which has actually been solicited and presented as advice to them. Those sorts of materials can potentially serve the purpose of providing meaningful guidance for little or no cost, however, for that to be the solution to the accessible and affordable assistance conundrum, there should be absolute certainty that this does not constitute ‘advice’, let alone ‘personal advice’. Just because educational materials have been prepared with circumstances of a fictional person in mind, with which a real person might identify as sharing certain similarities, does not mean those materials should be regulated as if they were actually prepared with the real-life circumstances of an actual person in mind. We believe there is a real opportunity to clarify that meaningful, technical illustrations of financial scenarios can be portrayed outside of the regulation of genuine financial product advice.

**Recommendation: The sole purpose test should be revisited in light of the retirement income covenant**

With the retirement income covenant contemplating trustees offering assistance to members which takes into account their non-super retirement assets, we recommend that the sole purpose test be broadened accordingly. This will facilitate trustees investing in the capability to offer that broader assistance while at the same time permitting members to pay for that type of advice using their superannuation account even though the advice does not relate solely to their superannuation interest.