



Post-Implementation review: Compensation Scheme of Last Resort

Terms of Reference

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Consultation Process

Request for feedback and comments

Email	CSLRreview@treasury.gov.au
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Enquiries	Enquiries can be initially directed to CSLRreview@treasury.gov.au .

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Background

The Compensation Scheme of Last Resort (CSLR) was introduced to provide victims of financial services misconduct with access to redress and compensation within the scope of the scheme, after all other avenues have been exhausted. The CSLR includes objectives to:

- Support confidence in the financial system's external dispute resolution framework;
- Provide some compensation for victims of financial services misconduct as a last resort where a determination issued by the Australian Financial Complaints Authority remains unpaid and the determination relates to a financial product or service within the scope of the scheme; and
- Be sustainable over time and funded by an industry levy.

The Government is directing the Treasury to undertake a post-implementation review (review) of the scheme to ensure the scheme is delivering its intended objectives. This will give stakeholders confidence in the scheme and support the outcomes of consumers.

Scope of the review

The review will improve understanding of the scheme's operation and the outcomes it is delivering.

The review will consider:

- How the CSLR is delivering on its intended objectives;
- How the CSLR funding model is formulated, including its potential impacts on businesses who fund the industry levy;
- How the powers of the CSLR Operator interact with delivery of the scheme; and
- The current scope of the CSLR and any related matters.

The review should have regard of other current and recent reviews and inquiries as relevant.