



FINANCIAL
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IMPROVING FINANCIAL ADVISER STANDARDS IS THE REAL ISSUE

Recent issues in the financial planning industry and their impact on professional associations show that it is critical to build the professionalism of the industry and embrace technological advances in the delivery of financial advice says Finsia CEO Russell Thomas.

Pointing to the recommendations of the Financial System Inquiry (FSI) and the recent Parliamentary Joint Committee (PJC) on Corporations and Financial Services inquiry into ethical and education standards of financial advisers, Mr Thomas observed that it is important to keep the focus on raising the standard of financial advice.

Industry associations, financial institutions, regulators and government each have a critical role to play in this process.

“Finsia supports the genuine desire among financial institutions to address the serious concerns that have been raised about the quality of financial advice and products”, says Mr Thomas. “We particularly support the PJC report’s recommendation that an independent council be established to monitor a national exam, and the FSI’s call for a targeted and principles-based obligation for product issuers and distributors.”

Finsia’s efforts to improve adviser education standards, specifically through the professional standing of Finsia’s Senior Associate (SA Fin) designation, have been recognised by the PJC.

Finsia’s unique approach focusses on digital innovation in the finance industry. “Since Finsia sold its education business in 2007, we have attained the necessary funding to capitalise on digital innovation. Technological advancements have the potential to fundamentally change the way in which financial advice and products are provided,” Mr Thomas said.

“We have re-invested in our members by taking a whole-of-industry view to professional development and accreditation that spans the entire value chain.”

Mr Thomas also noted the different roles each of the professional associations play in improving confidence and trust in financial advice and believes that no one association has all of the answers. However, he cautions that associations that fail to keep up with digital innovation and changes in investor preferences will struggle to stay relevant.

“A marketplace of choice for professional associations in this area is good for consumers, professionals and financial institutions. It is now time to improve the alignment of associations across the sector to focus on the improvement of consumer outcomes.”

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About Finsia

Finsia — the Financial Services Institute of Australasia — is Australasia’s premier membership organisation for the financial services industry.

Finsia advances our members’ careers by building their capability and professional standing – and by connecting them to leading content, insights and influential networks. Finsia also plays a vital role in strengthening the financial services industry through policy initiatives and respected credentials that drive rigorous professional standards.

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