

8 June 2018

AFCA consults on draft Rules to enhance dispute resolution

The Australian Financial Complaints Authority (AFCA) will commence on 1 November 2018, providing consumers and small businesses with easy access to a single scheme to resolve complaints about products and services provided by financial firms. AFCA will replace the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and the Superannuation Complaints Tribunal (SCT) (predecessor schemes).

AFCA has drafted proposed Rules governing its jurisdiction and process for resolving complaints. The Rules, when finalised and approved by ASIC, will apply from the commencement of AFCA on 1 November 2018.

AFCA has recently commenced a broad consultation with industry and consumer stakeholders over the next four weeks on the proposed Rules. Individual written submissions on the proposed Rules are also welcome.

Following consultation, the Rules will be submitted to ASIC for review and approval. It is anticipated that the Rules will be released in early September 2018.

The draft Rules reflect mandatory requirements in legislation, regulation and Ministerial requirements. The consultation focuses on changes in the AFCA Rules compared with those of predecessor schemes, including the incorporation of the Superannuation Complaints Tribunal's current jurisdiction in the AFCA Rules. AFCA is not consulting about provisions of the Rules that meet mandatory requirements, such as the monetary limits for compensation.

AFCA will also be hosting a webcast on 13 June for industry and consumer stakeholders to discuss the draft Rules with interested stakeholders.

In drafting the Rules, AFCA has sought to ensure that the language and structure are accessible, together with the need to meet the mandatory requirements of the Rules, as set out in legislation, Regulatory Guide 139 and Scheme authorisation requirements.

For more information and how to make a submission

The consultation paper, draft Rules and registration for the webcast can be accessed via www.afc.org.au (click on the Rules Consultation tab). Submissions can be emailed to submissions@afc.org.au by Friday 29 June 2018.

Submissions will be published on our website; please mark them as 'confidential' if you do not want it published.

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