

MEDIA RELEASE

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Royal Commission risks further unnecessary regulation

The Stockbrokers And Financial Advisers Association (SAFAA) has warned that the Royal Commission into Banking, Superannuation and Financial Services could lead to further and unnecessary regulation of the stockbroking industry.

Andrew Green, CEO of SAFAA said the stockbroking industry was already well-regulated with further reforms still to be mandated, and the industry already has a high level of integrity.

“The integrity that resonates throughout our industry is amply demonstrated by the miniscule number of complaints to FOS (Financial Ombudsman Service) about the stockbroking industry.

“For the year ended June 2017, FOS received a total of 39,479 disputes. Of these only .003% related to stockbroking.

“That figure was achieved in the context of 100 million trades on Australian stock exchanges during the 2017 June quarter. That is more than 1.5 million trades every day. Out of all those trades, only 8 complaints were found in favour of applicants for a whole year.

“It would be a complete waste of time and taxpayers’ money to include the stockbroking industry within the term of reference of the Commission.”

Mr Green said the stockbroking industry has been at the forefront of advocating for reforms to raise education, training and ethical standards in the stockbroking and financial advisory industry.

“The industry has worked closely with the Federal Government on introducing professional standards across the industry.

“The industry is already well regulated, operates to a high standard and the only thing this sort of enquiry will achieve is further regulation – more red tape, which is both unwarranted and unnecessary.

“The end result will be to drive firms out of business, and this will be a bad outcome for Australia,” Mr Green said.

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