

1 May 2018

Ministerial authorisation of the Australian Financial Complaints Authority

The Australian Financial Complaints Limited (AFCL) has received authorisation from the Minister for Revenue and Financial Services to establish and operate the Australian Financial Complaints Authority (AFCA).

Under the Minister's Authorisation, AFCA will commence accepting new complaints on 1 November 2018. All financial firms required to hold membership of an external dispute resolution scheme will be required to join AFCA by no later than 21 September 2018. Ninety-eight percent of current members of the Financial Ombudsman Service (FOS) have already completed the annual assessment and member declaration to ensure a smooth transition to AFCA.

The current Transitional Board of AFCL was formed for the purpose of making the application for authorisation and is chaired by Prof The Hon Michael Lavarch and comprises the FOS Board and two members of the Superannuation Complaints Tribunal Advisory Council.

The inaugural AFCA Board, to be chaired by the Hon. Helen Coonan will formally assume responsibility from 4 May 2018 for the implementation of the new scheme. The AFCA Board will comprise the Hon. Helen Coonan, four directors appointed by the Minister and six ongoing directors from the AFCL Transitional and FOS Boards. The directors on the AFCA Board effective 4 May 2018 are set out below.

The AFCL Transitional Board notes the contribution of Prof The Hon Michael Lavarch, Mr David Coorey and Ms Louise Lakomy and thanks them for their service to AFCL, FOS and its predecessor schemes. The AFCL Transitional Board would like to thank Mr John Berrill and Mr Michael Dwyer for their contributions on both the Joint Working Group and AFCL Transitional Board. One of the early actions of the new AFCA Board will be to consult stakeholders on the proposed AFCA Rules and on an interim funding model for the new scheme.

As part of the interim funding arrangements, there will be separate and appropriate arrangements for the funding of superannuation disputes. This will be based on using the parameters applied for the current APRA levy calculations.

AFCA will also work with financial firms on the process to formally become a member of AFCA by 21 September 2018.

The AFCA Board will continue working with the Credit and Investments Ombudsman (CIO) Board on the necessary arrangements for a transfer of its members and operations to AFCA. AFCA will continue its close collaboration with the Superannuation and Complaints Tribunal (SCT) during the transition process.

In the lead up to the commencement of the AFCA EDR scheme on 1 November 2018, AFCA will be actively engaging with all its stakeholders, including consumer organisations.

Contact details for AFCA, including its website and contact number will be available from today.

Media enquiries: Virginia Wallace, 03 9613 7470; media@afc.org.au

Member enquiries: membership@afc.org.au

AFCA Board

| Role | Name |
|---------------------------|------------------------|
| Independent Chair | The Hon Helen Coonan |
| Industry Directors | Mr Robert Belleville |
| | Ms Jennifer Darbyshire |
| | Ms Claire Mackay |
| | Ms Johanna Turner |
| | Mr Andrew Fairley AM |
| Consumer Directors | Ms Carmel Franklin |
| | Ms Elissa Freeman |
| | Ms Catriona Lowe |
| | Ms Erin Turner |
| | Mr Alan Wein |