

## Current Surveillances

Type of Enquiry	Entity/Subject	Industry Sector	Suspected Misconduct
REDACTED - Confidential			
Surveillance	Multiple - Surveillance of responsible entities identified through risk profiling as being most at risk of non-compliance or exhibiting particular risks.	Funds management - Responsible Entities & schemes	Risk Profiled Entities Project– Proactive surveillance of risk profiled entities with a focus on culture, incentives and poor compliance systems that result in conduct that may lead to losses, including targeting areas identified in ASIC's corporate plan
Surveillance	Multiple - Surveillance of superannuation trustees identified through risk profiling as being most at risk of non-compliance or exhibiting particular risks.	Funds management - Responsible Entities & schemes	Risk Profiled Entities Project– Proactive surveillance of risk profiled entities with a focus on culture, incentives and poor compliance systems that result in conduct that may lead to losses, including targeting areas identified in ASIC's corporate plan
Review	Multiple - Review of all issuers, market makers and authorised participants to ETF's	Funds management - Responsible Entities & schemes	ETF Project - Reviewing compliance by ETFs in the context of significant investments in these products by SMSFs
Surveillance	Multiple - Review of superannuation trustee's identified through risk profiling	Funds management - Superannuation	Employers in Super project - Review of advice, disclosure and inducements provided to employers
Surveillance	Multiple - Review the offering of insurance through superannuation and to focus industry attention on the need to improve its practices and disclosure in relation to insurance offered within super	Funds management - Superannuation	Insurance in superannuation project - Review issues with disclosure and complaints handling
Review	Multiple - Review of superannuation entities, RE's & industry bodies identified through risk profiling	Funds management - Responsible Entities & schemes	Performance reporting project - This project focuses on performance reporting by trustees and REs. ASIC wants to identify those areas where performance can be misrepresented or represented in one of a number of alternate permissible ways. ASIC is keen to assess compliance with performance reporting obligations.
Review	Multiple - Review of superannuation entities & RE's & identified through risk profiling	Funds management - Responsible Entities & schemes	RG 97 Fee and Cost disclosure project - Review of superannuation entities and RE's compliance with RG 97. ASIC previously undertook a review of the industry with findings outlined in ASIC Report 398 which highlighted: <ul style="list-style-type: none"> <li>• under-disclosure of fees and costs associated with investing indirectly through other vehicles</li> <li>• tax treatment of fees and costs</li> <li>• performance fees</li> <li>• under disclosure of management costs</li> </ul> RG97 aims to address these issues by ensuring a consistent approach is taken by industry in relation to enhanced fee and cost disclosure
REDACTED - Confidential			
Surveillance	GRUBWINKLER GERALD, SUNCORP FINANCIAL SERVICES PTY LTD	Financial Advisers - Insurance advice	Failure to act in the best interests of the client. Adviser also failed to provide statements of advice.
Surveillance	GUARDIANFP LTD	Financial Advisers - Compliance & supervision	Additional licence conditions imposed on the Licensee.
Surveillance	MyPlanner Australia Pty Ltd, SHEEHAN PHILIPPA JANETTE, MARDELL DAVID ROBERT, HOWARD CATHRYN LEIGH, PLANNER PROFESSIONAL SERVICES PTY LTD	Financial Advisers - Other	ASIC imposed licence conditions on MyPlanner as a result of poor quality financial advice and a lack of monitoring and supervision of their advisers
Surveillance	NEO FINANCIAL SOLUTIONS PTY LTD	Financial Advisers - Compliance & supervision	ASIC accepted Enforceable undertaking in relation to concerns over adequacy and application of Neo's risk management and compliance frameworks
Surveillance	TOTAL FINANCIAL SOLUTIONS AUSTRALIA LIMITED	Financial Advisers - Remediation	Remediation program for clients who received advice that failed the best interest duty requirements.
Surveillance	ALLEN JAMES PHILLIP, LUITEN SHORES FINANCIAL PLANNING PTY LTD, LAURA DEAN HOLDINGS PTY LTD	Financial Advisers - SMSF advice	inappropriate SMSF advice to invest in failed property development; conflicted advice through associations with the MIS operator involved in the failed property development.

## Current Surveillances

Surveillance	MEHRA GURUMUKH SINGH	Financial Advisers - Insurance advice	inappropriate life insurance advice (from Life Insurance Exception reporting Project)
REDACTED - Confidential			
Surveillance	LUPLAU DESMOND WINTON, WESTPAC BANKING CORPORATION, CHARTER FINANCIAL PLANNING LIMITED	Financial Advisers - Bank advice	Failure to act and provide advice in the best interests of the client.
Surveillance	RAMSAY CHRISTOPHER EDWARD, WESTPAC BANKING CORPORATION	Financial Advisers - Bank advice	Failure to act and provide advice in the best interests of the client.
Surveillance	ANZ, AMP, CBA, NAB and Westpac	Financial Advisers - Bank advice	Follow up media release on ASIC REP 515 which examined the conduct of financial advisers at large financial institutions, in particular:  1. How do the large financial institutions identify adviser misconduct? 2. What do they do when they identify adviser misconduct?
REDACTED - Confidential			
Surveillance	WESTPAC BANKING CORPORATION, KHAN, MUNEEB MAHMOOD	Financial Advisers - Bank advice	Adviser used his position to procure a transfer of \$180,000 from an elderly client
REDACTED - Confidential			
Surveillance	multiple licensees	Financial Advisers - SMSF advice	Project on SMSF advice to (i) test the quality of SMSF Advice and (ii) test the motivations and experiences of consumers who have recently set-up an SMSF or who are intending to set-up an SMSF through shadow shop and literature review.
Surveillance	LAZARUS WARREN	Financial Advisers - Insurance advice	inappropriate life insurance advice (from Life Insurance Exception reporting Project)
Surveillance	CRIBB JAMES ANTHONY, MODE AFSL PTY LTD, MODE FINANCIAL SERVICES PTY LTD	Financial Advisers - SMSF advice	inappropriate advice to set up SMSF to acquire property
REDACTED - Confidential			
Surveillance	CORPAC PARTNERS PTY LIMITED	Financial Advisers - Other	Non lodgement of accounts from 2014 - 2017
Surveillance	LEAKE PHILIP EDWARD, WEALTHSURE FINANCIAL SERVICES PTY LTD	Financial Advisers - Insurance advice	inappropriate life insurance advice (from Life Insurance Exception reporting Project)
REDACTED - Confidential			
Surveillance	2017-2018 Life Insurance Exception Reporting Project	Financial Advisers - Insurance advice	Life Insurance Exception Reporting Project
Surveillance	MFR FINANCIAL PLANNERS AUSTRALIA PTY LTD	Financial Advisers - Other	EDR membership expulsion.
Surveillance	OCTANI CAPITAL PTY LIMITED	Financial Advisers - Other	non-lodgement of 2014, 2015 and 2016 financial statements and auditor's reports
Surveillance	BATTEN DAVID PAUL, RED SUMMIT TRADING PARTNERS PTY LTD	Financial Advisers - Other	AFS Licensee operating without key person as specified in AFS Licence. Failed to notify ASIC in writing as required under section 916F and lacks competence to provide the services it is licensed for.
Surveillance	ANZ, AMP, CBA, NAB, Westpac and Macquarie	Financial Advisers - Remediation	Fees for No Service project - banks failed to provide advice after charging customers fees
Surveillance	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	Financial Advisers - Remediation	Failure to rebate trail commissions promised to customers
Surveillance	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	Financial Advisers - Remediation	Incorrect (over and under) charging of ongoing advice fees
Surveillance	COMMONWEALTH FINANCIAL PLANNING LIMITED, Financial Wisdom Limited	Financial Advisers - Compliance & supervision	Additional licence condition imposed in August 2014 as a result of the licensees' failure to apply compensation processes consistently to customers

## Current Surveillances

Surveillance	HSBC BANK AUSTRALIA LIMITED	Financial Advisers - Remediation	EU accepted by ASIC on 13 May 2016 in relation to advisers failed to properly investigate customers' circumstances when advising customers to invest in complex products
REDACTED - Confidential			
Surveillance	FAR EAST CAPITAL LIMITED,GRIGOR WARWICK ROBERT	Financial Advisers - Other	failure to manage and disclose conflicts of interest and the use of the term independent.
Review	Commonwealth Bank of Australia, National Australia Bank, Australia and New Zealand Banking Group Limited and Westpac Banking Corporation Limited	Credit - Other	use of certain terms that may be potentially unfair contract terms in the context of small business lending. The big 4 banks have made changes to their small business loan contracts to reduce the risk of non-compliance with the unfair contract terms law; and The review outlines the types of terms that raise concerns under the unfair contract terms law that other lenders to small business customers should consider when they assess whether they need to make any changes to their small business loan contracts to comply with the law.
Review	Third Party Deposits	Deposit takers - Deposit products	Review of deposit products marketed to financial advisers and brokers for use with adviser's clients. The products allow advisers to make transactions and investments on the client's behalf-looking at compliance measures banks have developed to mitigate the risks associated with these products.
Inquiry	Reverse mortgage review	Credit - Other	Review of consumer outcomes and lending practices in the reverse mortgage market to ensure that consumers are adequately equipped to understand the product and the risk of equity eroding in their property.
Review	Credit card project	Credit - Other	the outcomes consumers are obtaining from their credit card products, with a focus on segments where high levels of indebtedness at (relatively) high cost may occur through time; the effect of balance transfers on consumer debt levels and outcomes; and the effectiveness of some of the previous tailored reforms (especially the key fact sheet, repayment hierarchy and minimum repayment warning)
Inquiry	Direct life insurance review	Insurance - Sales practices	<ul style="list-style-type: none"> <li>• ASIC Report 498 Life Insurance Claims: an industry review, released in October 2016, found high rates of declined claims for direct life insurance.</li> <li>• ASIC commenced a direct life insurance review in early 2017 which is focused on identifying sales practices and product design that may be driving poor consumer outcomes.</li> <li>• Culture factors are being considered as part of the project, including incentives, targets and performance management.</li> </ul>
Review	Add on insurance: deferred sales model	Insurance - Sales practices	The sale of add-on products to consumers who may not need them. A deferred sales model will create a pause into the sales process for add-on financial products. This review focuses on o Enhanced supervision obligations for product providers. This proposes to introduce specific requirements for the supervision and monitoring of a provider's authorised representatives, based on the risks for consumers.
Review	Loan application fraud review	Credit - Other	ASICs review will examine the type and level of loan application fraud currently faced by industry and practices for preventing, detecting and responding to it. The review will assess various existing industry controls and proposals, with a view to identifying best practice across industry and opportunities for improvement at the system level. ASIC is undertaking this review to promote public confidence in controls for prevention, detection and response to loan fraud.
Review	ePayments code	Deposit takers - Other	The ePayments Code is currently a voluntary code, to which almost all ADIs subscribe – and a small number of non ADI payment service providers. Its provisions cover matters such as mistaken internet payments, listing and switching rules, and the liability regime (as between the subscriber and their customer) for unauthorised transactions.DCI is considering commencing a review of the ePayments Code in early 2018.



## Current Surveillances

Review	TPD and Insurer independent reviews	Insurance - Sales practices	ASIC's 2016 Industry review of life insurance claims (REP 498) found that TPD insurance had the highest average rate of declined claims (16%) across the different cover types (life, trauma, income protection), with three insurers having significantly higher declined rates. Three insurers also had significantly higher rates of withdrawn TPD claims.  In 2017 we commenced a targeted review of TPD insurance focusing on claims systems and processes as well as product design. TPD insurance within superannuation is another focus of our review given that around 90% of TPD claims involve policies held within
Review	RG 209 Review-Australian Credit Licence holders	Credit - Other	A review of Regulatory Guide 209-Credit licensing-Responsible lending conduct
Review	IAG, AAI, Youi, Allied & General, Allianz	Insurance - Other	ASIC is concerned about reports of inappropriate practices by insurance investigators that may result in claims by consumers being inappropriately denied or withdrawn and consumers being subject to harassment or intimidation by investigators: see ASIC REP 498, FRLC report and CGC own motion inquiry. Purpose: To review insurers procedures for investigating claims and monitoring outsourced service providers and explore consumers experiences with investigations and claims handling, with a view to improving practices by insurers and reducing harm for consumers.
Review	CCI review -ANZ, CBA, NAB, BOQ, Bendigo and Adelaide Bank, Suncorp-Metway, Westpac, Citigroup, HSBC, Australian Central Credit Union, CUA and Latitude.	Insurance - Sales practices	Despite the ADIs agreeing to implement ASIC's recommendations in report 256 in 2011 ASIC continues to have concerns about CCI sales practices which have resulted in poor outcomes for consumers. These concerns have arisen from surveillance activities undertaken by ASIC, a review of both reports of misconduct and breach reports and through engagement by ASIC with consumer groups which show that consumers may be unaware they have purchased CCI, may not meet the eligibility requirements and/or may not be likely to claim.
Review	Broker remuneration: shadow shop	Credit - Other	Building on our findings in Report 516 Review of mortgage broker remuneration , ASIC will conduct a shadow shop to better understand the consumer experience when purchasing home loans. A focus of the research will be to look at what factors, beyond commission, affect how consumers purchase home loans and which product they purchase. The intention of the shadow shop is to follow consumers through the home loan purchase journey (including loans purchased via brokers and direct from lenders) which will begin to take place in 2018.
Review	Car Finance- responsible lending and debt collection Macquarie - subsidiary Macquarie Leasing Pty Ltd -Westpac - subsidiaries St. George Finance Limited, St. George Motor Finance Limited, Capital Finance Australia Limited -CBA -NAB	Credit - Other	DCI is planning a project into the car finance industry to review compliance with regulatory obligations on responsible lending and debt collection. The review will consider the car financing compliance performance and practices of banks through their personal lending business or through their specific car financing subsidiaries.  DCI's concerns have arisen from reports of misconduct about a number of car financiers, including about banks and bank subsidiaries, as well as our work to ban flex commissions and address poor add-on insurance sales practices. It has also been reported that the banks are proposing to sell their car financing arms in 2018. We expect that the banks will review the compliance performance of their car financing businesses prior to any sale. This suggests an opportunity for ASIC to leverage these processes to achieve redress for consumers who have suffered loss.
REDACTED - Confidential			
surveillance	Raa Insurance Limited	Insurance - Sales practices	Misleading Advertising
REDACTED - Confidential			
Surveillance	Clearview life assurance	Insurance - Sales practices	Mis-selling and pressure sales
REDACTED - Confidential			
Surveillance	Westpac Banking Corporation	Credit - ADI lending	failure to convert interest only loans to principal and interest-manual processes
REDACTED - Confidential			
Surveillance	Westpac Banking Corporation	Credit - ADI lending	Responsible lending breach - credit cards
Surveillance	Bananacoast Credit Union	Credit - ADI lending	Insurance forcing (under s154 NCCP Act) - misleading/deceptive advertising (under ASIC Act)
REDACTED - Confidential			

## Current Surveillances

REDACTED - Confidential			
Surveillance	Surveillance of approximately 20 licensed mortgage brokers who had lender accreditations suspended or terminated for potential false declarations on annual compliance certificate.	Credit - Credit intermediaries	False declarations on annual compliance certificate.
REDACTED - Confidential			