

## SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

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Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

**Re: Mortgage (and personal loan) Advice**

My sole submission in this regards is that advice provided to retail clients for a mortgage should fall under the existing (and updated) financial advice regime. A home loan is likely to be the largest financial product that a retail client is likely to 'purchase'. However, advice relating to mortgages has been so far carved out of the financial advice regulations. This is incongruent with the aims of consumer protection and has likely lead to the issues seen in the mortgage industry in Australia (and abroad).

Interestingly, the UK regulator has included mortgage broking under their umbrella of financial products, whilst omitting life insurance. Intrinsicly, this should lead to an increase in the fiduciary responsibilities of mortgage brokers, leading to better advice. On the life insurance side of things, this might lead to poorer life insurance advice, but it may lead to higher life insurance coverage in society (which is better than higher debt levels). In the US, mortgage advice regulation has still not been adequately fixed since the GFC, with the risks of another sub-prime disaster growing.

I am not advocating that life insurance should be stripped out of the financial advice regime, however, I am recommending that mortgage advice be brought in. The benefits in doing so are obvious (best interest advice, lower debt levels, less layers/divisions of regulation); not doing so is likely to lead to the same issues occurring again and again.

Thank you for considering my submission.

Regards,

Daniel Archibald, CFA