

#80

COMPLETE

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Page 3

Q1 Overall, do you agree or disagree with [standard 1] and proposed commentary? **Agree**

Q2 Please provide any comments on [standard 1] and the proposed commentary.

It is our view that this standard should be amended to 'treat clients fairly'. The words 'act in their interests' are not consistent with what is set out in the draft legislation which already imposes a duty on financial advice providers to give priority to the client's interests. The duty to give priority to the client's interests is appropriately addressed in Standard 3, manage conflicts of interest.

Page 4

Q3 Overall, do you agree or disagree with [standard 2] and proposed commentary? **Agree**

Q4 Please provide any comments on [standard 2] and the proposed commentary. **Respondent skipped this question**

Page 5

Q5 Overall, do you agree or disagree with [standard 3] and proposed commentary? **Agree**

Q6 Please provide any comments on [standard 3] and the proposed commentary.

It is our view that bullet point one 'where practicable, avoid conflicts of interest' is setting an impractical standard. Other parts of the commentary discuss 'managing conflicts of interest' and 'adequately disclosing conflict of interests' which is appropriate and practical. To provide consistency with the rest of the commentary the first bullet point should include the word 'mitigate' i.e. 'where practicable, mitigate or avoid conflicts of interest.'

Page 6

Q7 Overall, do you agree or disagree with [standard 4] and proposed commentary? **Agree**

Q8 Please provide any comments on [standard 4] and the proposed commentary.

We recommend that the example in the commentary is removed. The example is confusing. Further details about disclosure when replacing a product should be set out by the disclosure regulations.

Page 7

Q9 Overall, do you agree or disagree with [standard 5] and proposed commentary? **Agree**

Q10 Please provide any comments on [standard 5] and the proposed commentary. **Respondent skipped this question**

Page 8

Q11 Overall, do you agree or disagree with [standard 6] and proposed commentary? **Disagree**

Q12 Please provide any comments on [standard 6] and the proposed commentary.

We strongly recommend that this standard is removed from the Code. We are of the view that this standard is adequately covered by the Privacy Act 1993. Financial service providers are required to comply with Privacy Law, and any overlapping obligations will cause confusion.

Further, any concerns/gaps about Privacy would be better addressed under the current Privacy law review.

The last bullet in standard 1 of the Code could be drafted so that persons are required to act in accordance with all relevant law, including Privacy.

Page 9

Q13 Overall, do you agree or disagree with [standard 7] and proposed commentary? **Neither agree nor disagree**

Q14 Please provide any comments on [standard 7] and the proposed commentary.

We agree that persons who give financial advice must have in place a process for managing complaints, however the standard should not overlap with existing obligations or obligations being developed under the disclosure regulations.

If the standard remains in the Code, it could be amended to 'Managing complaints.'

Page 10

Q15 Overall, do you agree or disagree with [standard 8] and proposed commentary? **Agree**

Q16 Please provide any comments on [standard 8] and the proposed commentary.

To provide clarity we ask for an example to be included in the commentary.

Page 12

Q17 Overall, do you agree or disagree with [standard 9] and proposed commentary? **Agree**

Q18 Please provide any comments on [standard 9] and the proposed commentary. **Respondent skipped this question**

Page 13

Q19 Overall, do you agree or disagree with [standard 10] and proposed commentary? **Agree**

Q20 Please provide any comments on [standard 10] and the proposed commentary.

We support a Code that allows for flexibility however we believe consistent with other professions, a minimum number of CPD hours annually should be prescribed for individual advisers. We also recommend including a specific requirement for individuals to keep up-to-date with products and product-types.

Page 14

Q21 Overall, do you agree or disagree with [standard 11] and proposed commentary? **Agree**

Q22 Please provide any comments on [standard 11] and the proposed commentary. **Respondent skipped this question**

Page 15

Q23 Overall, do you agree or disagree with [standard 12] and proposed commentary? **Agree**

Q24 Please provide any comments on [standard 12] and the proposed commentary. **Respondent skipped this question**

Page 16

Q25 Is there anything missing from the draft Code? **Respondent skipped this question**

Q26 If you answered yes, what is missing? **Respondent skipped this question**

Q27 Do you have any feedback on the examples, or suggestions on other examples that should be included in the draft Code?

We support the use of headings, commentary, examples and side boxes provided to assist interpretation of the standards. Where examples are used, they need to be clear and capture the essence of the standard. It may be appropriate to draft any examples once all the requirements across the regime are established.

Q28 Is there anything else you want to say?

Overall, we support the Code and the proposed standards. We support the principles-based approach in setting minimum standards of ethical behaviour, conduct and client care, and competence, knowledge and skill and not being too prescriptive about process. Financial advice providers should then be able to operationalise the minimum standards in the way that best suits them and in a way that delivers good customer outcomes.

The Code is part of a wider regulatory regime for financial advice, and persons who give financial advice also have obligations under other parts of the regime, including under the FMC Act and regulations made under that Act. We recommend that requirements are not duplicated in different areas of the regime and that there is consistency of terminology.

Page 17

Q29 Name

Charlotte Cockrell

Q30 Your role or professional title

Regulatory Compliance Specialist

Q31 Individual or organisational submission

This is a submission on behalf of an organisation (eg employer)

Q32 If you give financial advice...

Respondent skipped this question

Q33 My organisation or I give the following types of advice...

Respondent skipped this question

Q34 Organisation Name

Fidelity Life Assurance Company

Q35 Type of organisation

Insurer

Q36 Size of organisation

Large firm (50+ staff)

Q37 If there are other things we should know about you or your business that would provide context to your answers, please provide details below.

Fidelity Life welcomes the opportunity to provide feedback on the draft Financial Advice Code.

We're proud to be New Zealand's Life Insurance Company of the Year. We're the largest Kiwi-owned and operated life insurer and we're all about powering the New Zealand sense of adventure.

We support more than 300,000 customers and their families when they need it most. In the 2018 financial year alone we paid \$106.9 million in claims to more than 1,100 customers.

We're committed to ensuring New Zealanders have access to independent financial advice they can trust and innovative insurance solutions that meet their needs now and into the future.

Thank you for the opportunity to provide this feedback.

Q38 Please indicate whether your submission contains any information that is confidential or whether you do not wish your name or any other personal information to be included in a summary of submissions.

Respondent skipped this question

Q39 Please provide your contact details (email and/or phone number) This is the only question that requires an answer. This information would not be released publicly. We may get in touch with you in order to help us understand particular points from your submission.

s 9(2)(a)

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