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## COMPLETE

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### PAGE 2: Chapter 3 - Barriers to achieving the outcomes

**Q1: 1. Do you agree with the barriers outlined in the Options Paper? If not, why not?**

yes

**Q2: 2. Is there evidence of other major barriers not captured in the Options Paper? If so, please explain.**

cost of advice is a barrier

### PAGE 3: Chapter 4 - Discrete elements

**Q3: 3. Which options will be most effective in achieving the desired outcomes and why?**

Package 2 seems most practical. Removing the distinction between class and personalised will reduce the cost of providing advice, simplifying disclosure is a must, and licensing businesses will be more efficient for the FMA

**Q4: 4. What would the costs and benefits be of the various options for different participants (consumers, financial advisers, businesses)?**

Package 2 will reduce cost to consumers and FMA costs

**Q5: 5. Are there any other viable options? If so, please provide details.**

*Respondent skipped this question*

**Q6: 6. What implications would removing the distinction between class and personalised advice have on access to advice?**

advice would be more accessible. At present personalised advice is a high cost service to provide so clients will less \$\$ to invest wont get the advice they need.

**Q7: 7. Should high-risk services be restricted to certain advisers? Why or why not?**

What do you consider high risk? if entities are licenced then they will ensure the right advisers are giving advice on high risk products (in NZ do we really have high risk products?)

**Q8: 8. Would requiring a client to 'opt-in' to being a wholesale investor have negative implications on advisers? If so, how could this be mitigated?**

No

**Q9: 9. What ethical and other entry requirements should apply to advice platforms?**

unsure

**Q10: 10. How, if at all, should requirements differ between traditional and online financial advice?**

online needs to make very clear the parameters with which they are operating and recommend the consumer seeks further advice from a real person.

**Q11: 11. Are the options suggested in this chapter sufficient to enable innovation in the adviser industry? What other changes might need to be made?**

yes

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**Q12: 12. If the ethical obligation to put the consumers' interests first was extended, what would the right obligation be? How could this be monitored and enforced?**

unsure

**Q13: 13. What would be some practical ways of distinguishing 'sales' and 'advice'? What obligations should salespeople have?**

disclosure

**Q14: 14. If there was a ban or restriction on conflicted remuneration who and what should it cover?**

should stop trail commissions on managed funds. Banks should disclose margins on FX, savings accounts, term deposits, etc

**Q15: 15. How can competency requirements be designed to lift capability, without becoming an undue barrier to entry and continuation in the profession?**

A degree should not be a barrier to entry. If someone doesn't want to or can't complete a degree then they shouldn't be in the profession. Should be a grandfathering provision for existing advisers. The degree should be a general business studies degree.

**Q16: 16. Should all advisers be subject to minimum entry requirements (Option 1)? What should those requirements include? If not, how should requirements differ for different types of advisers?**

Yes degree qualified

**Q17: 17. What are the benefits and costs of shifting to an entity licensing model whereby the business is accountable for meeting obligations (Option 1)? If some individual advisers are also licensed (Option 2), what specific obligations should these advisers be accountable for?**

Don't introduce a subset of expert advisers - that defeats the purpose of simplifying things and we don't have a whole lot of complicated products in nz anyway. The benefits of entity licensing is that they will do a better job than FMA. Entities can't afford reputational risk and they are able to ensure that all advisers are monitored. At present the FMA has no chance of adequately monitoring 2000 AFA's and 6000 RFA's.

**Q18: 18. What suggestions do you have for the roles of different industry and regulatory bodies?**

they need to get together and form one body and then take on some of the regulatory responsibilities

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**Q19: 19. What do you think is the most effective way to disclose information to consumers (e.g. written, verbal, online) to help them make more effective decisions?**

written or online - must be simple and clear

**Q20: 20. Would a common disclosure document for all advisers work in practice?**

yes

**Q21: 21. How could remuneration details be disclosed in a way that would be meaningful to consumers yet relatively simple for advisers to produce?**

simple language. salary or commission, or combination.

**Q22: 22. Is there any evidence that the existence of multiple schemes is leading to poor outcomes for consumers?**

unsure

**Q23: 23. Assuming that the multiple scheme model is retained, should there be greater consistency between dispute resolution scheme rules and processes? If so, what particular elements should be consistent?**

unsure

**Q24: 24. Should professional indemnity insurance apply to all financial service providers?**

yes

**Q25: 25. What is the best way to get information to consumers? Who is best placed to provide this information (e.g. Government, industry, consumer groups)?**

a combination of all those groups

**Q26: 26. What terminology do you think would be more meaningful to consumers?**

licensed financial adviser

#### **PAGE 6: Chapter 4 - Discrete elements**

**Q27: 27. Do you have any comments on the proposal to retain the current definitions of 'financial adviser' and 'financial adviser service'?**

no

**Q28: 28. Are those currently exempt from the regime posing undue risk to consumers through the provision of financial advice in the normal course of their business? If possible, please provide evidence.**

yes. lawyers and accountants should not be able to provide financial advice unless they are licensed. It is a huge loophole that needs to be shut in order to give our profession more integrity

**Q29: 29. How can the FA Act better facilitate the provision of international financial advice to New Zealanders, without compromising consumer protection? Are there other changes that may be needed to aid this, beyond the technological options outlined in Chapter 4.2?**

unsure

**Q30: 30. How can we better facilitate the export of New Zealand financial advice?**

unsure

**Q31: 31. Do you have any comments on the proposal to retain the current approach to regulating broking and custodial services?**

no

#### **PAGE 7: Chapter 5 - Potential packages of options**

**Q32: 32. What are the costs and benefits of the packages of options described in this chapter?**

should lessen the cost to the FMA. Will be a small increase cost to entities but it will be worth it.

**Q33: 33. How effective is each package in addressing the barriers described in Chapter 3?**

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**Q34: 34. What changes could be made to any of the packages to improve how its elements work together?**

don't bring in the expert adviser subset

**Q35: 35. Can you suggest any alternative packages of options that might work more effectively?**

no

#### **PAGE 8: Chapter 6 - Misuse of the Financial Service Providers Register**

**Q36: 36. Do you agree with our assessment of the pros and cons of the options to overcome misuse of the FSPR?**

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**Q37: 37. What option or combination of options do you prefer and why? What are the costs and benefits?**

option 2 without expert adviser subset

**Q38: 38. What are the potential risks and unintended consequences of the options above? How could these be mitigated?**

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**Q39: 39. Would limiting public access to parts of the FSPR help reduce misuse?**

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**PAGE 9: Demographics**

**Q40: 1. Enter your name and/or the name of the group of people, business, or organisation you are providing this submission on behalf of.**

James malden

**Q41: 2. Enter your email address or other contact details**

*Respondent skipped this question*

**Q42: 3. Are you providing this submission:**

- 
- As an individual

**Q43: 4. Please select if your submission contains confidential information:**

*Respondent skipped this question*