

**Submission to
Review of the Financial Advisers Act (FA Act) 2008 and the Financial
Service Providers (Registration and Disputes Resolution) Act 2008**

Tauranga Budget Advisory Service has offered budget advice and education for over forty years. We have offered Total Money Management as a value added financial service for about fifteen years to those requiring more intensive short term support to reduce debt and change their spending patterns, and also to those who are unable to manage their own money due to long term disability.

Until the legislation change TBAS was able to charge a small fee of approximately \$10 per month to help fund administration and some of the actual costs of delivering support by our volunteer specially trained budget advisers. Our policy is to limit those receiving TMM to a maximum of forty clients at any one time in spite of high demand. We could recover fees from some clients but as we are not a registered financial adviser we are unable to do so.

Although we last year applied for exemption after receiving MBIE advice and very reluctantly paid the \$1250 fee, we had the money returned and were told that we first had to apply for registration. TBAS has delayed this in the hope that this review will address the anomaly of charitable not for profit budget advisory services with low turnover, being seen as requiring the same level of regulation as multimillion dollar commercial entities.

I note that the earlier round of consultation and responses mainly by financial service providers, have not addressed on this issue. We understand that all consumers require protection, but believe that this review of the FA and FSP Acts should give exemption to this category of charitable budget advice as it currently does to educators and others, and not require ongoing contribution to the Disputes Resolution Scheme.

Our services that are affiliated to the NZ Federation of Family Budget Services, all support better levels of protection to consumers as we daily see the problems that can arise through poor advice or unethical behaviours in the sector. Indeed we could accept having to go through a type of registration process provided there was no registration fee or ongoing cost beyond a minimal administration fee. However automatic exemption provided we meet the annual audit and quality standards of NZFFBS, the MSD contracts and our own internal and external regular auditor inspections, should provide the level of robustness and integrity that the consumers and policy makers are seeking.

TBAS has considered the Chapter 3-6 Options Paper and supports the Chapter 3 Figure 2 Outcomes and Barriers summary. Our service goal is to offer financial advice and improved financial literacy in the community and we do this with excellent community feedback to up to 2000 clients each year. We urge the

Review Team to seriously consider our particular issue and are able to provide more specific information on TMM if necessary.

Thank you
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Jo Gravit
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24th February 2016