

28 March 2019

Manager, Retirement Income Framework  
Retirement Income Policy Division  
Treasury  
Langton Crescent  
Parkes ACT 2600

By email: [superannuation@treasury.gov.au](mailto:superannuation@treasury.gov.au)

Dear Manager

### **Retirement Income Disclosure Consultation Paper – Feedback**

The Australian Financial Complaints Authority (AFCA) is the new independent external dispute resolution scheme for the financial sector. The Appendix provides more information about AFCA and its role.

We refer to the Retirement Income Disclosure Consultation Paper released by Treasury in December 2018. The paper seeks feedback on proposals to use a range of metrics in a new 'retirement income fact sheet' (Fact Sheet). The feedback in this letter<sup>1</sup> draws on the experience of AFCA and its predecessors – organisations that have handled financial services complaints for more than 25 years.

AFCA believes the central focus in developing the proposals should be to ensure the Fact Sheet provides information that consumers can understand and use easily. In our complaint resolution work, we often see cases where consumers do not read disclosure documents due to their length, complexity or use of jargon and technical language.

---

<sup>1</sup> This letter has been prepared by the staff of AFCA and does not necessarily represent the views of individual directors of AFCA.

AFCA's view is that it is essential to keep Fact Sheets as clear and simple as possible. This is likely to be a challenge as Fact Sheets will deal with a complex area.

The consultation paper states on page 3 that the Fact Sheet 'would avoid lengthy portions of text, use a combination of text and graphics, and use plain English'. We support this approach – particularly the commitment to use plain English.

We note that Treasury plans to undertake consumer testing after the current consultation is completed and also support this approach. We suggest the use of consumer testing, when setting requirements for contents, drafting and formatting of Fact Sheets, to determine which approaches are most effective.

If we can assist by discussing issues or providing information, please do not hesitate to contact us. Our contact for this matter is Carolyn Bruns, Policy & Liaison Adviser, at [REDACTED] or on [REDACTED]

Yours faithfully

A handwritten signature in black ink, appearing to read 'June Smith', written in a cursive style.

**Dr June Smith**  
**Lead Ombudsman – Superannuation, Investments, Advice and Life Insurance**  
**Australian Financial Complaints Authority**

## Appendix - About AFCA

AFCA is the new independent external dispute resolution scheme for the financial sector. It replaced the Financial Ombudsman Service, the Credit and Investments Ombudsman and the Superannuation Complaints Tribunal.<sup>2</sup>

AFCA's purpose is to provide fair, independent and effective solutions for financial complaints. It does this not only by providing complaint resolution services, but also by working with financial firms to improve their processes and drive up industry standards of service, thereby minimising complaints.

More broadly, AFCA will play a key role in restoring trust in the financial services sector.

In addition to resolving individual financial complaints, AFCA has responsibilities to identify, resolve and report on systemic issues and to notify the Australian Securities and Investments Commission, or other regulators, of serious contraventions of the law.<sup>3</sup>

On 23 April 2018, AFCA was authorised pursuant to the *Corporations Act 2001*. The [AFCA Rules](#), which govern our operations, were approved by ASIC in September 2018. We began to receive complaints under these rules on 1 November 2018.

---

<sup>2</sup> For comprehensive information about AFCA, see our website [www.afca.org.au](http://www.afca.org.au).

<sup>3</sup> See [ASIC's Regulatory Guide 267](#) *Oversight of the Australian Financial Complaints Authority*.