

Tuesday August 23, 2016.

Letter to the financial services industry

Sentry Group like any large national financial planning licensee has a number of life risk specialists and many financial planners in our community who are upset at some of the changes that have occurred in the industry over the past 3 years.

Not all the current push back is only the headline revenue related matter. There are a number of other aspects of FOFA and the proposed LIF that in our opinion adversely affect the consumer, and detracts from the affordability and delivery of high quality personalised one on one financial advice to consumers in Australia.

The LICG's quest for common sense and considered reason to prevail with the lawmakers before locking in another change is perfectly understandable. We supported that objective and their democratic right to put that case to the legislators and the regulator both in direct correspondence and in personal meetings. That is the LICG's right to have a different opinion from other industry organisations if they so wish and to argue their case as hard as they can, but then if not successful, accept the outcome and adapt.

Likewise the AFA and the FPA have also pursued their respective franchises to represent the combined majority of professional financial advisers and planners in Australia, and the elected officials and management of both associations have acted in good faith and only in the best interests of their members and their members' clients.

Sentry took a very dim view when the LICG and one of its founders publicly turned on the AFA as this has now seriously detracted from the merits of their case, and adversely on the integrity of both organisations and the financial services profession as a whole. No reasonable person can support an attack solely on the AFA and wonder why the initiator does not apply the same logic and tactic against the FPA – unfortunately it can only be interpreted as a personality clash.

I am very strongly against public disunity in the industry particularly when it involves an opportunistic attack and outrageous statements by some individuals and other organisations on the AFA and the FPA. I am concerned that this infighting provides more grist to the mill to be used against all of us by the lawmakers and the regulator, not to mention the adverse media coverage and ultimately lack of confidence by consumers.

In my view the AFA and the FPA are the only formally constituted and properly structured industry associations with a long history over many years of representing advisers and lifting the educational and ethical standards of their members that have stood the test of time. They will still be around when others with short term goals are gone and will then have to recover unnecessary lost credibility and rebuild the reputation of their members in particular and the industry in general.

So the sooner we reunite for the bigger picture, the better.

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