Systemic issues at AFCA

Quarters 1&2 FY23

Prepared for the Financial Service Providers Forum - Fixing Finance for Women in Micro Business

afca
Australian Financial Complaints Authority

What are AFCA's obligations?

AFCA has an obligation to identify, and report **systemic issues**, **serious contraventions** and other **referrable matters**.

This obligation comes from ASIC Regulatory Guide 267 and section 1052E of the Corporations Act

AFCA reports to the following regulators :

- The Australian Securities and Investments Commission (ASIC)
- The Australian Prudential Regulation Authority (APRA)
- The Commission of Taxation (ATO)
- The Office of the Australian Information Commissions (OAIC), or
- any other appropriate body.

Under RG267, AFCA has **15 days** to make reports to the above regulators.

Systemic issues across all financial industries

1 July 2022 to 31 December 2022

Identified and **investigated** systemic issues resulting in the remediation of over **186,924** consumers and small businesses

Reported **50 systemic issues** to regulators and continued to work with financial firms to resolve these issues

Ensured more than **$38 million in remediation** was returned to impacted consumers and small businesses

Reported **33 other matters** to the Regulators

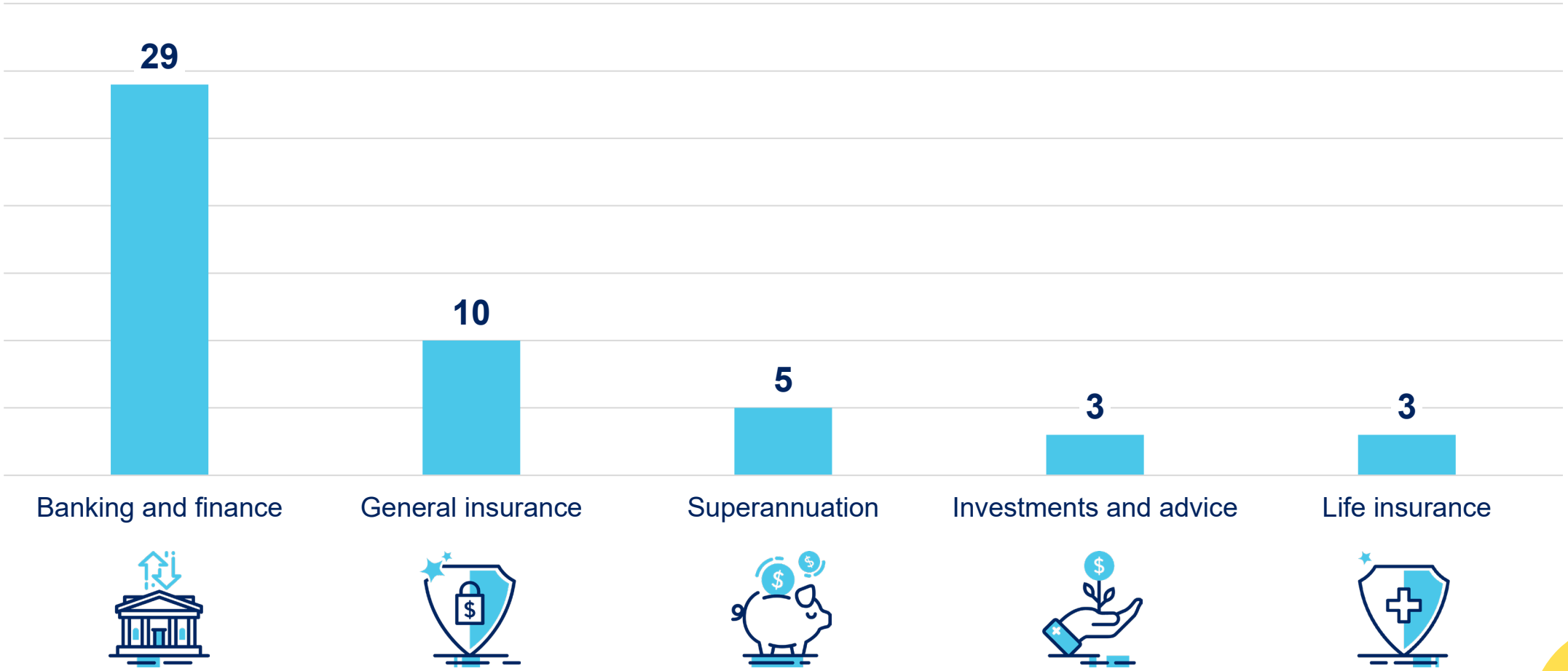
7 serious contraventions of the law

22 refusals/failures to give effect to determinations

4 settlements that may require investigation

Reported systemic issues across products

1 July 2022 to 31 December 2022

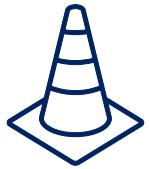


Issues impacting small businesses

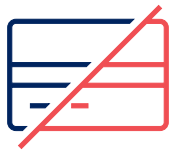
1 July 2022 to 31 December 2022

Privacy – unauthorised disclosure of personal information

Incorrect reporting of credit information



Inappropriate insurance provided to taxis



Provision of unsuitable business loans to customers

Inappropriate terms of settlement

Systemic Issues insights report

- On 15 December 2022 AFCA launched its first Systemic Issues insights report
- This is part of AFCA's commitment to transparency and sharing key systemic issue insights with its stakeholders
- The report shares data and findings from a range of systemic issues cases across the industry from the financial year 2021-22
- This report will help to improve industry practice, because sharing case studies and insights provides an opportunity for members to learn from others' experiences
- We welcome feedback on the Insights Report.

Thank you

More information

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