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Regulator crackdown on super fund fee disclosure will benefit consumers

The Australian Institute of Superannuation Trustees (AIST) has today welcomed moves by the Australian Securities and Investment Commission (ASIC) to stamp out misleading fee disclosure practices in the super and managed investment industry.

In a report released today, ASIC raises concerns about the practice of 'fee gaming', whereby some super products are structured to intentionally disclose lower fees and costs than would otherwise be required.

AIST policy and research manager, David Haynes, said it was good to see ASIC recognise the need to protect consumers against super funds that hide or deliberately under-disclose their fees and costs for market advantage.

"This much-needed further strengthening of fee disclosure will ensure consistency and transparency of approach across all products and sectors of the industry," Mr Haynes said.

Mr Haynes said AIST had particular concerns about products that were promoted as 'low-fee' or 'no-fee' products, when the fees were simply hidden.

"Funds not disclosing in the spirit of laws requiring full disclosure can be misleading consumers," Mr Haynes said. "In a compulsory super system, consumers must be able to easily compare funds based on meaningful and consistent information about fees and costs."

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AIST is the peak industry body for the \$600 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.