

# Quarterly Complaints

## – April to June 2015 –

The FPA is committed to informing members and the community of the trends and outcomes of complaints and disciplinary action in the financial planning profession. It is important for members and the community to be confident that the profession takes a strong position on the protection of the reputation of financial planners by responding to breaches of its professional expectations.

As well as communicating the activities of professional accountability, our goal is to assist members in appreciating the types of complaints received, to encourage members to consider their own practices, and to provide guidance for complaint protection.

### Disciplinary Activity Summary

In the June 2015 quarter (April to June 2015), the FPA received four new complaints, finalised three investigations and has eight ongoing investigations.

COMPLAINTS AND DISCIPLINARY REPORT April to June 2015	
Investigations ongoing as at 31 March 2015	7
New investigations	4
Investigations closed	3
Investigations ongoing as at 30 June 2015	8
Members suspended	0
Members expelled (CRC)	0
Members Terminated (Constitution)	0
Other Sanctions (CRC)	0
Referred to Professional Designations Committee for Sanction	0

Of those ongoing investigations, one matter was reported to the FPA's Conduct Review Commission (CRC) for consideration to issuing a Notice of Disciplinary Breach and one matter was subject of a hearing before a CRC Disciplinary Panel. The Panel is in the process of making a written determination in this matter, which will include a finding in respect of each alleged breach, as well as a statement of reasons for its determination.

### Changes to the composition of the CRC

The CRC is independently chaired, supported by a panel of experienced members of the financial planning profession, relevant experts and members of the public, to regulate the conduct of members of the FPA and upholding the highest ethical standards within the financial planning profession.

Mark Vincent, a Sydney-based

barrister whose expertise includes Administrative Law, Statutory Tribunals, Equity and Regulation, was recently appointed as the Acting CRC Chair. Mark had been the Deputy Chair for a period of about 12 months.

Separately, a number of CRC panel member appointments and re-appointments were approved by the FPA Board, including three new panel members. Each appointment was approved for a period of three years, effective 31 July 2015.

The panel currently comprises one legal practitioner, eight CFP® members and a financial advice consultant:

The FPA congratulates and welcomes the following new CRC members:

- Michael Chalmers CFP®
- Lisa Palmer CFP®
- Ragnhild Sky CFP®

The FPA thanks continuing members:

- Sandra Bowley CFP®
- Guyon Cates

Table 1: CRC Determinations					
Case No	Member Details	Member No	Effective Date*	Member Category	Sanction
CRC 2014_1	Robert (Bob) Jones	38582	19 Sept 2014	CFP	Expelled, fined and costs of CRC Hearing

\* Note: The Effective Date refers to the date of the event triggering the automatic termination, rather than the date the FPA became aware of the event.

Table 2: Summary Disposal					
Case No	Member Details	Member No	Effective Date*	Member Category	Sanction
SD2015_1	Blinded	Blinded	15 Jan 2015	CFP	Reprimanded, fined and professional education

\* Note: The Effective Date refers to the date of the event triggering the automatic termination, rather than the date the FPA became aware of the event.

# and Discipline Report

- Greg Cook CFP®
- James Cotis CFP®
- Cherie Feher CFP®
- Dacian Moses CFP®
- Mark Vincent (Acting Chair)

The FPA expresses gratitude to the following outgoing members for their valuable contributions to the CRC over many years:

- Chris Benson CFP®
- Bruce Christie CFP®
- Michael Perkins
- Dr June Smith (Chair 2014/15)
- Brett Walker

## The year in review

Once again, the Annual Report on Professional Standards will be published later on in the year, expected to be available on the FPA website in October 2015 (following publication of the FPA Annual Report).

The Annual Report on Professional Standards has been published on an annual basis since 2010, and contains insights into the FPA's work and developments broadly across the Professional Regulatory Framework, as well as specifically within the FPA's Professional Membership, Professional Conduct and Professional Accountability programs.

In the meantime, and at a very high level, during the 2014/15

financial year, our Professional Accountability program resulted in the following:

- We received a total of 30 formal complaints, a 36 per cent increase from last year;
- We finalised a total of 29 complaints, a 20 per cent increase from last year;
- As at 30 June 2015, we had eight outstanding complaints, compared to seven at the same time last year;
- Additionally, we received a total of 17 FPA Confidential matters and finalised a total of 19 matters. As at 30 June 2015, we had five outstanding matters, compared to six at the same time last year;
- We dealt with 84 instances of misuse or unauthorised use of either the FPA brand or CFP designation. This is an increase of 200 per cent from last year;
- We conducted a total of 74 Advice Reviews as part of the Cbus Referral Program;
- The CRC delivered a determination as a result of a Disciplinary Hearing. The member was expelled, fined and ordered to pay the hearing costs (see Table 1);
- The CRC issued an Infringement Notice for a

Special Breach due to the member's non co-operation;

- A matter was finalised by Summary Disposal, enabling us to work co-operatively with the member (under the watchful eye of the CRC) to achieve a corrective professional regulatory outcome that fosters the protection of the profession and the community (see Table 2). The member was reprimanded, required to complete professional education and fined (see Table 2);
- We automatically terminated the membership of four FPA members by operation of the FPA Constitution (see Table 3).

We further fostered the protection of the profession and the community in responding to over 368 enquiries from members, consumers and other stakeholders in relation to professional standards related activity and guidance.

It should be noted that during the 2014/15 financial year, ASIC banned 19 individuals from practising as financial planners and of these, only one was a member of the FPA. It is noteworthy that of the 46 individuals banned by ASIC since 1 July 2012, only two were members of the FPA.

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**Table 3: Automatic Termination pursuant to FPA Constitution**

Member Details	Member No	Effective Date*	Member Category	Reason
Stuart Jamieson	29884	17 May 2012	CFP	Authority terminated by AFSL for breach of the law
Michael Irwin	13235	18 Sept 2014	CFP	Banned by ASIC
Alan Kenyon	592	29 May 2012	AFP	Insolvent under Administration
Shane Thompson	26732	17 Feb 2015	CFP	Failure to pay monetary penalty

\* Note: The Effective Date refers to the date of the event triggering the automatic termination, rather than the date the FPA became aware of the event.