

If professional standards are good enough to improve trust in the UK, why not introduce them to the Australian market?"

"if not, why not?"

TRUST

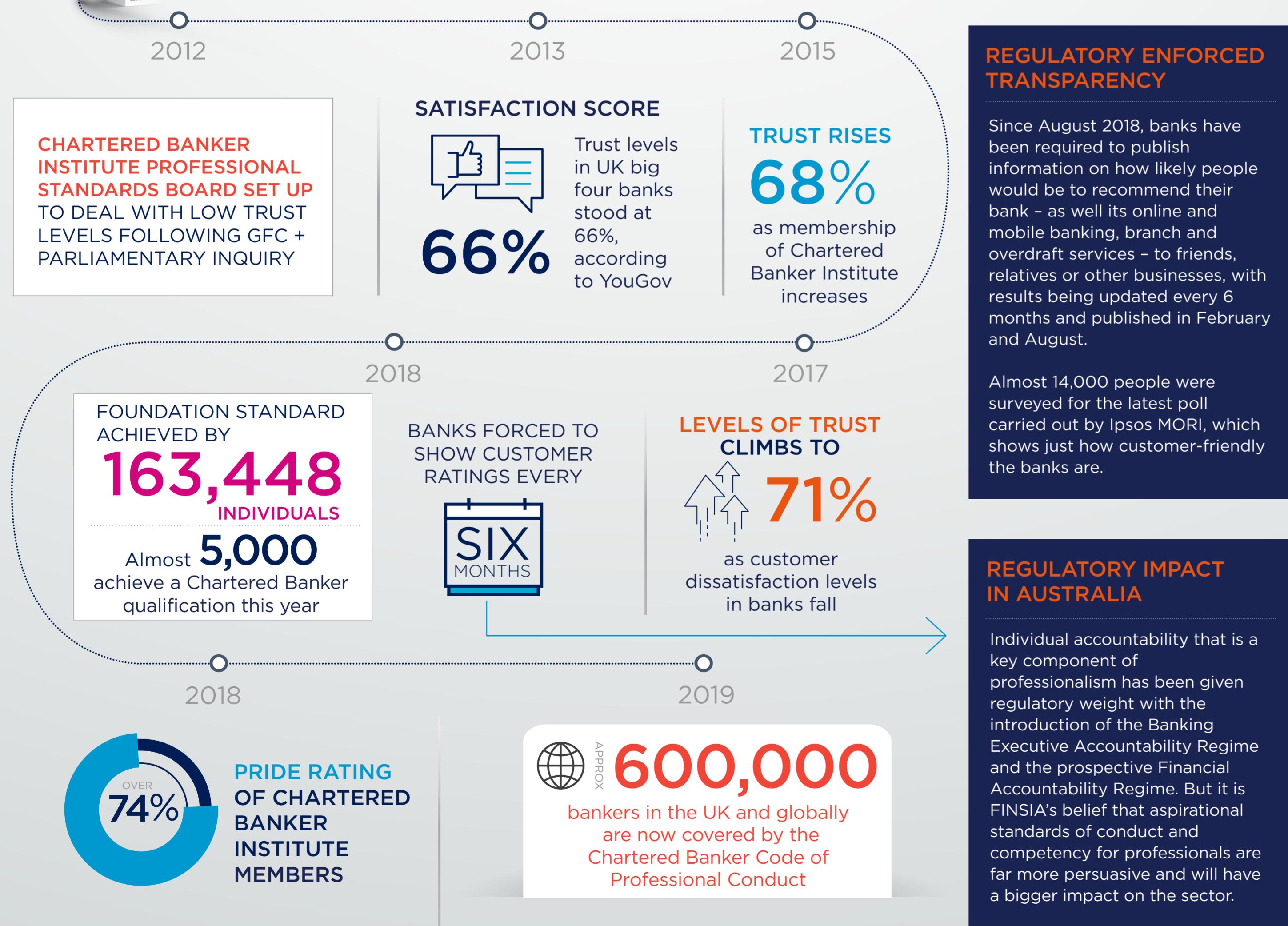


Following industry-wide consultation, FINSIA is launching a framework of professional standards focused on ethical behaviour and competency.

LEVELS OF TRUST IN AUSTRALIAN FINANCIAL SERVICES INDUSTRY HAVE BEEN GOING IN THE OPPOSITE DIRECTION TO THAT OF THE UK, EVIDENCE FROM FINSIA SURVEYS SHOW.



How the growth of professional standard setting by the Chartered Banker Institute has helped.



REGULATORY ENFORCED TRANSPARENCY

Since August 2018, banks have been required to publish information on how likely people would be to recommend their bank – as well its online and mobile banking, branch and overdraft services – to friends, relatives or other businesses, with results being updated every 6 months and published in February and August.

Almost 14,000 people were surveyed for the latest poll carried out by Ipsos MORI, which shows just how customer-friendly the banks are.

REGULATORY IMPACT IN AUSTRALIA

Individual accountability that is a key component of professionalism has been given regulatory weight with the introduction of the Banking Executive Accountability Regime and the prospective Financial Accountability Regime. But it is FINSIA's belief that aspirational standards of conduct and competency for professionals are far more persuasive and will have a bigger impact on the sector.

Already low levels of trust dropped significantly during the Royal Commission... by more than 50%.

FROM 46% ↓ 19% Trust dwindled after the Royal Commission, with consumers sending a clear message about the need for measured professional standards and qualifications. Though some progress has been made, more needs to be done.

A TOTAL OF 81% Survey respondents said it is important to have a professional body overseeing industry standards.

Three-quarters believe senior staff should have professional qualifications.

Two in every five consumers think all bank staff should have professional qualifications, FINSIA research shows.

Consumers will more likely trust a bank with high professional standards with three quarters of those new customers aged under 24 saying they want their bank to have professional standards for all staff.

Consumers have more trust in staff in junior, customer-facing roles, with 37% having a high level trust.

A third (32%) of those surveyed felt they had received 'bad' advice from a financial services provider. Their belief that they got bad advice was that it was dictated by the employer and of benefit to the advisor.

More than half those surveyed don't believe positive changes brought about as a result of the Royal Commission will last - the majority say banks will revert to their old ways.

The number of millennials who would swap banks to deal with more professionally qualified staff rose from 19% to 24% over the past year.