

Check super statements

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The best place to start checking whether you're a victim of the national fees for no service financial planning scandal is a dusty corner in your own home.

There you will find superannuation statements that could provide clues about whether you've had money taken out of retirement savings and not been given required services in return.

And if you've seen a financial planner anytime in the past 15 years, you should also have a statement of advice and maybe other documents.

The documents should outline what money the planner was going to take from you and what, if any, services you were to be given in return.

Financial disputes lawyer David Huggins said understanding the contractual relationship with advisers and their obligations was crucial to working out whether someone might have a claim.

The Huggins Legal boss said financial planners' statements of advice and fee disclosure statements were good starting points in working out just what services the adviser was obliged to deliver.

He said hints could be found on superannuation statements when they showed deductions under headings such as "adviser fees".

"You need to see what's been paid



out of your superannuation and who's received it," Mr Huggins said.

"If payments have been made for services you haven't received, you should be entitled to a refund."

The Australian Securities and Investments Commission investigation of fees being skimmed for no services initially focused on plan-

ning outfits linked to the big four banks, AMP and Macquarie Bank.

It last week publicly spread to mid-sized planning players including Yellow Brick Road and Bendigo Financial Planning and is expected to look at other firms in the near future.

The total estimated value of advice failures to date are \$364 mil-

David Huggins says understanding the relationship is crucial.

Picture: Michael Wilson

lion, but organisations have made about \$850 million of provisions for future bills.

An ASIC spokesman said the focus was on the financial institutions to identify, notify and compensate clients they believed were entitled to remediation.

But he said people should check their records and give their financial institution a call asking for information if material was missing or if they had questions. "It be a healthy reminder to the institution," the spokesman said.

The company holding the financial services licence is generally responsible for the failure of authorised representative firms and individual planners to deliver agreed services.

Mr Huggins said we should understand the difference between fees paid for a service we're entitled to receive and genuine commission payments, which are not caught in the scandal.

He said most people became a member of a super fund because they dealt with an adviser network linked to retail funds such as those operated by AMP and MLC.

Mr Huggins said many of the operations had fee for service arrangements covered by the ASIC crackdown. "It must be many hundreds of thousands of clients affected," he said.

"It's mostly the big four banks and AMP. It may well be that they could go back for many years."