



MEDIA RELEASE

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Consumers have a preference for digital engagement in financial services – FSC Murray Review submission

Australia's financial system must provide flexibility and innovation which addresses the ever-increasing demands from consumers to use digital technology now and into the future.

"More than ever, consumers are relying on digital technology to meet their needs for personal shopping and financial services," John Brogden, CEO of the Financial Services Council said.

"Research commissioned by the FSC for the Murray Review shows the uptake of new technology by Australian's has grown exponentially.

"Today, almost every Australian has access to the internet via a computer or smart phone. This compares to 1995 when 47 per cent of Australians owned a personal computer and 15 per cent of households had a modem," Mr Brogden said.

The FSC research shows nine in ten Australians shopped online in the past six months.

Mr Brogden said the financial system must keep pace with the changing needs and expectations of consumers and preferences for how they engage with the financial products and services.

"It is critical that the regulatory framework underpinning the delivery of financial services to consumers is drafted to reflect rapid developments in technology and high engagement from consumers with digital technology."

"Developments in technology have outpaced developments in regulation."

"It is critical that the Murray Review recognises that technology considered new and innovative today, could be outdated in a very short period of time," Mr Brogden said.

The FSC's Murray Review submission recommends:

- the inquiry ensures financial services regulation is 'technologically neutral' so it can evolve as technology changes; and
- a new disclosure regime is implemented which recognises that consumers prefer digital engagement and the ability to access 'piece by piece' information.

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About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and

Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.2 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.