



MEDIA RELEASE

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FSC ACKNOWLEDGES ASIC FOCUS ON STRENGTHENING SUPERANNUATION PLATFORM GOVERNANCE

The Financial Services Council (FSC) acknowledges ASIC’s report released today on how platform trustees are monitoring risks to retirement savings. The FSC shares ASIC’s goal of uplifting and ensuring robust governance standards across the platform industry.

Platforms play an important role in Australia’s retirement system by providing consumers with greater choice, flexibility and access to tailored investment strategies in the context of receiving regulated financial advice. As ASIC notes, platform trustees operate within a comprehensive regulatory framework and are subject to oversight by both ASIC and APRA, with access to dispute resolution through AFCA.

ASIC’s report highlights their concerns that some platform trustees are not meeting their expectations around monitoring and addressing harmful advice fee deductions, unusual fees and investment patterns, and high-risk switching activities. The report’s findings reflect a spectrum of maturity of practices during the reporting period, including acknowledging examples of better practice and uplift since their previous reviews.

The report calls for stronger governance, monitoring and oversight practices across the sector, especially in the wake of the collapses of Shield and First Guardian in 2024-25.

The platforms sector takes seriously their role as stewards of Australians’ superannuation savings. That is why the industry came together to develop FSC Standard 31: [*Wrap Superannuation Platform Trustee Investment and Adviser Governance Principles: Standard and Better Practice Guidance*](#), which was finalised and released in April 2026.

ASIC’s “calls to action” in the report - including that trustees should set and monitor fee caps, conduct random and risk-based sampling of advice documents, and monitor advice fees for patterns and irregularities – are substantially formalised in the Standard.

The Standard commences on 1 July 2026, with full compliance required from 1 January 2027. FSC platform members, who will be bound by the Standard, represent around 89 per cent of total

platform funds under management and include the seven largest wrap platforms by market share, ensuring the governance uplift applies across the vast majority of the platform sector.

FSC CEO Blake Briggs said, "ASIC's report reinforces the importance of strong governance and aligns with the direction the platform sector is taking through the FSC's Standard and Better Practice Guidance. The FSC Standard will continue to be reviewed and updated as risks and regulatory expectations evolve."

ASIC's report also highlights the importance of information sharing between trustees to identify and disrupt inappropriate switching business models. The FSC convenes a cross-industry Superannuation Scams Forum, involving more than 30 superannuation funds and supporting organisations, which provides an established mechanism to share intelligence and coordinate responses to emerging threats.

FSC [research](#) released last week also highlights the risks associated with a lack of active choice in superannuation due to consumer disengagement. It found that relatively simple and deliberate decisions made early in a person's working life about which superannuation fund they are with can materially improve retirement outcomes compared with remaining in the default fund allocated on entering the workforce.

Mr Briggs said, "Australians should be protected from misconduct. Trustees as part of the value chain have a key role to play. Other parts of the value chain also play important roles, including advice licensees, responsible entities of managed investment schemes, research houses, and the regulators who monitor the sector and approve financial services licenses and approve the registration of managed investment schemes.

"Consumer protection should go hand in hand with protecting Australians' freedom to choose and engage with their superannuation. Strong consumer protections and informed consumer choice go hand in hand in delivering better retirement outcomes."

ASIC concern	FSC Standard 31 coverage
Fee caps were too high (with some proposing to go as high as \$30K) and controls insufficient.	Platform trustees should implement controls to minimise the risk of inappropriate or harmful advice charges. Controls should consider the appropriateness of implementing fee caps on advice fees that can be deducted from members' accounts (5.3.2.4).
Insufficient protections in place for low balances, with a case study finding that under one trustee's policy, a \$9K account balance could	Platform trustees should adopt practices to protect members with low superannuation balances, such as setting a minimum balance threshold for advice fee deductions (5.3.2.5).

<p>be charged an advice fee of \$3K (or one-third of their balance).</p>	
<p>Limited checks of advice documents and high rates of adverse findings.</p>	<p>Platform trustees should review advice document extracts on a risk-based and random sample basis (but not the appropriateness of advice) to confirm services were delivered including the provision of personal advice and compliance with the sole purpose test (5.3.2.1).</p>
<p>Insufficient focus on advice licensees' business models when being considered for onboarding onto the platform.</p>	<p>The better practice guidance encourages platform trustees to make enquiries to understand the business model and supervisory controls of advice licensees prior to onboarding. This due diligence should consider the licensee's business model, approaches to client acquisition and supervisory framework (guidance corresponding to Standard clause 5.1.2).</p>
<p>Inadequate monitoring of holding limits.</p>	<p>Platform trustees are required to have a documented investment due diligence process that should include consideration of policies relating to holding limits at the individual option level, particularly for exposures to asset classes that may present liquidity or valuation risks. And where holding limits are adopted, trustees should have processes to monitor adherence to those limits and defined escalation pathways where limits are breached (4.1.2.3).</p> <p>Platform trustees should also consider the ongoing appropriateness of any holding limits, or whether new holding limits need to be applied given changes in liquidity, asset allocation or risk/return profile (4.2.4.7).</p>
<p>Insufficient attention to member churn, patterns in fees and unusual fund flows.</p>	<p>Platform trustees should monitor for unusual or concerning patterns from an adviser or licensee that trigger further investigation. Potential indicators of concern which should trigger further investigation or attention include (but are not limited to): high volumes of new account openings or rollovers from a single adviser, unusually high advice fee</p>

	deductions, and clients of the same advice licensee or adviser concentrated in the same illiquid investment option (5.2.2.3).
While ‘adviser watchlists’ were welcome, they weren’t always accompanied by clear action plans in response to red flags raised.	Platform trustees should maintain a documented framework for the ongoing monitoring of licensees and advisers using the platform, which should include clear escalation and decision-making protocols, protocols for adviser and licensee offboarding, and regular reviews of the efficacy of the monitoring framework (5.2.1).
Underutilisation of complaints data, as well as overreliance on staff discretion and manual processes (as opposed to automation).	Platform trustees should monitor for unusual or concerning patterns. A high volume of complaints featuring recurring themes and/or withdrawn consents against a single adviser or licensee is identified by the Standard as a potential indicator of concern which should trigger further investigation (5.2.2.3, 5.2.2.5).
Varying levels of maturity regarding the monitoring of ‘indicators of potential harm’, with some trustees monitoring a more expansive list relevant to inappropriate superannuation switching or excessive advice fees.	The Standard nominates several potential indicators of concern that should trigger a platform trustee’s further investigation or attention including (but not limited to) high volumes of new account openings or rollovers from a single adviser, unusually high advice fee deductions, multiple members with no underlying investments (e.g. 100% of balance in cash), and clients of the same advice licensee or adviser concentrated in the same illiquid investment option (see 5.2.2.3 for full list).

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 130 member companies in one of Australia’s largest industry sectors, financial services. Our Full Members represent Australia’s retail and wholesale funds management businesses, superannuation funds, and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$4 trillion on behalf of over 16.9 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.