

Submission

Executive General Manager Jurisdiction
Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Via email: consultation@afca.org.au

2025 AFCA Rule Changes

The National Insurance Brokers Association (NIBA) welcomes the opportunity to provide feedback on the proposed amendments to the Australian Financial Complaints Authority (AFCA) Rules.

A fair, accessible, and efficient external dispute resolution framework is critical to upholding trust in the financial services sector. It ensures that consumers and small businesses have a reliable mechanism for resolving disputes, while also reinforcing industry accountability and promoting continuous improvement in service standards. AFCA plays a central role in delivering this function, and its ability to operate with transparency, consistency and authority is vital to the confidence of all stakeholders.

NIBA supports the intent of the proposed amendments, which we believe will strengthen the integrity and effectiveness of AFCA's processes and deliver greater certainty for all participants.

About NIBA

NIBA is the peak representative body for the general intermediated insurance profession. NIBA serves as the collective voice of approximately 450 member firms and 15,000 individual brokers. Our membership encompasses a diverse range of entities, including large multinational insurance brokers, Australian broker networks, as well as small and medium-sized businesses located in cities and regional areas around Australia. NIBA advocates for the interests of general insurance brokers and their clients, ensuring that the general industry operates with integrity and professionalism.

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NIBA's work is guided by our core pillars: community, representation, and professionalism. NIBA's mission is to enhance the professional standing of insurance brokers through robust advocacy, education, and ethical standards. By fostering a collaborative and innovative environment, NIBA aims to elevate the quality of service provided to consumers, strengthening trust and confidence in the insurance broking profession.

Proposal 2: Paid Representatives

The National Insurance Brokers Association (NIBA) supports the proposed amendments to AFCA's Rules regarding Paid Representatives. We consider these changes appropriate and necessary to support a more efficient, consistent and timely resolution process for Complainants.

AFCA plays a vital role in providing accessible dispute resolution services to consumers and small businesses. Where Complainants choose to engage Paid Representatives who receive payment in exchange for their services, it is reasonable to expect those representatives to comply with procedural requirements that enable the smooth operation of the scheme. The volume of complaints submitted by Paid Representatives each year creates a material operational impact, particularly where those representatives do not use AFCA's preferred communication channels.

The proposed amendments strike a sensible balance by requiring Paid Representatives, many of whom are licensed and members of AFCA, to engage with the process in a way that is consistent with AFCA's systems and expectations as outlined in the Engagement Charter. Ensuring the use of these channels will support more streamlined complaint handling, reduce delays and improve outcomes for all parties involved, including Complainants and Financial Firms.

NIBA supports the intent of these changes and AFCA's broader objective of maintaining the efficiency, accessibility and fairness of the external dispute resolution framework.

Proposal 3: Financial Firm failure to comply with an AFCA Determination

Q.5 Do you think that this proposed Rules amendment is appropriate and will assist AFCA to provide a more effective and transparent dispute resolution process for consumers, small businesses, industry, and other stakeholders?

NIBA supports the proposed Rules amendment to allow AFCA to publish the names of Financial Firms that fail to comply with a Determination. NIBAs consider the amendment appropriate and timely, and believes it will enhance the transparency and effectiveness of the dispute resolution process.

Non-compliance with a Determination undermines confidence in the system and disadvantages consumers and small businesses who rely on AFCA to obtain fair outcomes.

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The proposed change will provide greater visibility of firms that do not meet their obligations, support AFCA in enforcing compliance, and promote fairness across the sector by recognising those firms that do meet their responsibilities under the scheme.

Q.6 Do you think that the proposed Rules amendment will assist to bring transparency and fairness to the financial services sector?

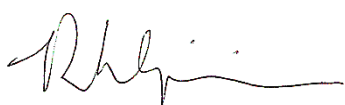
NIBA supports the proposed amendment to enhance transparency and fairness within the financial services sector. The ability to publicly name Financial Firms that fail to comply with an AFCA Determination will provide a clear accountability mechanism and help maintain a level playing field by ensuring that firms that meet their obligations are not disadvantaged by those that do not.

NIBA believes the proposed amendment will also enhance public confidence in the external dispute resolution framework by reinforcing the credibility of AFCA's processes and reassuring consumers, small businesses and industry stakeholders that misconduct will be addressed in a transparent and accountable manner.

NIBA welcomes the opportunity to contribute to this consultation and supports the intent of the proposed amendments to strengthen the effectiveness, transparency, and accountability of AFCA's dispute resolution framework. We look forward to continued engagement with AFCA and relevant stakeholders to support the implementation of these important changes.

Should you have any queries in relation to this submission or wish to discuss any of the matters raised, please do not hesitate to contact Allyssa Hextell, Head of Policy and Advocacy, at ahextell@niba.com.au.

Yours sincerely,



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