

Submission

RS and IDR Data Publication Project Team
Australian Securities and Investments Commission
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Via email: data.publication@asic.gov.au

ASIC CP383: Reportable situations and internal dispute resolution data publication

The National Insurance Brokers Association (NIBA) welcomes the opportunity to provide feedback on ASIC CP383: Reportable situations and internal dispute resolution data publication. As the peak body for the general insurance broking profession, NIBA recognises the ASIC's commitment to enhancing transparency and across the financial services sector.

In that spirit, we express our broad support for the objectives of the proposed dashboards and the publication of firm-level data relating to Reportable Situations and Internal Dispute Resolution. This initiative should encourage Australian Financial Services (AFS) licensees and their representatives to strengthen their management of significant and systemic or recurring breaches and to adopt a more proactive approach to reducing complaint volumes.

However, we believe it is essential that, when publishing Reportable Situations data, any descriptions of incidents are appropriately deidentified so that individuals involved, whether those who caused or were affected by the matter, cannot be identified by members of the public or other financial services firms. The privacy and personal information of all clients must be treated with care, particularly in circumstances where the matter remains under investigation.

About NIBA

NIBA is the peak representative body for the general intermediated insurance industry. 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

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interests of general insurance brokers and their clients, ensuring that the general industry operates with integrity and professionalism.

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.

General Feedback

NIBA notes ASIC's comments that, in exceptional circumstances, it may exclude data from the dashboards where it becomes aware that reports have been made in error. While this discretion is welcome, it should be strengthened. ASIC should be required to remove data, or enable the reporting entity to remove or amend it, where it is aware that the information has been submitted in error. Further consideration should also be given to introducing a review period prior to publication, during which reporting entities can identify and correct errors to ensure the accuracy and reliability of the published data.

Treatment of Product-Issuer Complaints Received by Brokers

NIBA is concerned that the current IDR reporting regime may produce misleading outcomes in relation to complaints received by general insurance brokers that, in substance, relate to the actions or decisions of the product issuer.

As brokers act as intermediaries on behalf of their clients, they are frequently the first point of contact for a wide range of concerns, including complaints about matters outside their control, such as the insurer's pricing decisions, underwriting criteria, or claims handling practices.

Under the current framework, these complaints are reported to ASIC under the broker's AFSL, despite the fact that the broker is not responsible for the underlying issue. For example, a client may lodge a complaint with their broker about the premium charged by the insurer. While the broker may assist in relaying the concern to the product issuer or explaining the pricing decision, the complaint ultimately relates to the insurer's conduct, not that of the broker.

NIBA is concerned that including these types of complaints under the broker's IDR reporting data distorts the picture of broker performance and may mislead consumers and other stakeholders. This approach fails to reflect the nature of the intermediary relationship and risks undermining the value of the data collected. NIBA recommends that ASIC consider a mechanism to distinguish or appropriately categorise complaints that are directed to the broker but concern the conduct of the product issuer.

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Questions

B1Q1: Do you have any comments about the proposed format of the data publication, or any suggestions for the interactive dashboards?

NIBA supports the proposed format of the data publication, including the use of interactive dashboards that allow users to filter, search and analyse firm-level information. Providing stakeholders with the ability to tailor the data to their needs enhances transparency and usability.

We note the work undertaken by the Australian Financial Complaints Authority (AFCA) in developing its Datacube platform, which presents complaint data in a clear and accessible format while still allowing users to draw meaningful insights. This approach strikes an appropriate balance between transparency and utility, and we encourage ASIC to draw on similar design principles in developing its dashboards.

It is essential that users can easily understand the information presented. This should remain the central focus of the dashboard design to ensure the data is not only available but also accessible and meaningful to a broad audience, including consumers, licensees and other stakeholders.

B2Q1: We propose to make some of the data available for download. Data available for download will not be more granular or detailed than the data published in the dashboard. Do you have any comments on this proposal?

NIBA supports the proposal to make some data available for download.

B3Q1: Do you have any comments about ASIC using explanatory notes and contextual statements to assist in the interpretation of the data?

NIBA supports the use of explanatory notes and contextual statements to assist users in interpreting the published data. Providing appropriate context is essential to ensure that Reportable Situations and Internal Dispute Resolution data are understood within their correct regulatory and operational framework, particularly given the complexity and variability of the underlying circumstances. This will be especially important for consumers and other external stakeholders who may not be familiar with the regulatory obligations that underpin these disclosures.

D1Q1: We propose to publish information relating to the RS data elements outlined in Table 1 to Table 7 below. Do you have any comments on these proposed data elements?

NIBA notes that the data elements outlined in Tables 1 to 7 are already collected by ASIC as part of the existing Reportable Situation notification process. On that basis, we support the publication of these data elements, subject to appropriate safeguards being in place.

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As noted earlier, it is critical that any published information is sufficiently deidentified to protect the privacy of individuals affected by a reportable situation, as well as the individual staff members involved. Maintaining this balance between transparency and privacy is essential to preserving confidence in the reporting regime and ensuring fairness to all parties.

Data Element RS-DE 1.1: Licensee name

AFSL holders often operate multiple brands under a single licence, many of which are more recognisable to consumers than the name of the licensee itself. Similarly, some AFSL holders authorise a number of corporate authorised representatives (CARs), each with their own distinct branding and client base.

Under ASIC's proposed publication framework, all complaints and significant breaches would be published against the name of the AFSL holder alone, without reference to the relevant brand or CAR.

This approach risks limiting the usefulness of the published data and may prevent consumers and investors from making fully informed decisions about the financial firms they choose to engage with.

Data Element RS-DE 1.2: License type

ASIC's proposed approach to publishing only the type of licence, whether an Australian Financial Services Licence (AFSL) or a credit licence, fails to identify the role the relevant entity plays in the financial services ecosystem. This level of classification does not distinguish between fundamentally different roles, such as product issuers, agents acting on behalf of issuers, or brokers acting in the interests of clients. Without this distinction, the data risks misleading consumers by implying equivalence between with fundamentally different roles, responsibilities, and regulatory obligations. A more granular categorisation of licence type is essential to provide appropriate context and support accurate interpretation of data.

Data Element RS-DE 2.2: Product

While noting ASIC's intent to retain a level of simplicity to the data, in NIBA's view, limiting product reporting to first-tier categories is unlikely to provide meaningful insights for reporting entities or consumers.

Data Element RS-DE 5.2: Customers compensated to date

When presenting information about the number of customers compensated, NIBA suggests that expressing this figure as a percentage of total affected or total customers may provide more meaningful context for consumers. This approach would allow for clearer comparisons

between entities of different sizes and help consumers better understand the scale and significance of remediation activity.

Data Element RS-DE 5.3: Amount of compensation paid to date

When reporting the total amount of compensation paid, it is important to recognise that this information may, in some instances, be subject to confidentiality obligations. Compensation arrangements can involve sensitive terms, and disclosing aggregate figures could inadvertently breach those obligations or reveal information that was intended to remain confidential between the parties involved.

E1Q1 : We propose to publish information relating to the IDR data elements outlined in Table 8 to Table 10. Do you have any comments on this proposal?

NIBA notes that the data elements outlined in Tables 8 to 10 are already collected by ASIC as part of the existing Reportable Situation notification process. On that basis, we support the publication of these data elements, subject to appropriate safeguards being in place.

As noted earlier, it is critical that any published information is sufficiently deidentified to protect the privacy of individuals affected by a reportable situation, as well as the individual staff members involved. Maintaining this balance between transparency and privacy is essential to preserving confidence in the reporting regime and ensuring fairness to all parties.

ASIC's current proposal does not include the size of the reporting entity, despite the fact that larger entities are naturally likely to receive a higher volume of complaints due to the scale of their operations. Including information on licensee size would support more meaningful comparisons across firms. This would enable financial firms to benchmark their own performance more effectively and assist consumers in interpreting the data in context, allowing for fairer and more accurate comparisons between providers of different sizes.

Data Element IDR-DE 1.1: Financial firm name

Please refer to NIBA's earlier comments regarding Data Element RS-DE 1.1 for further detail.

Data Element IDR-DE 1.2: Financial firm type

Please refer to NIBA's earlier comments regarding Data Element RS-DE 1.2 for further detail.

Data Element IDR-DE 2.1 - IDR-DE 2.4: Complainant Demographics

NIBA does not support the publication of firm-level data relating to complainant demographics as outlined in data points IDR-DE 2.1 to IDR-DE 2.4, as doing so has the potential to be misleading. The reality is that firms with a larger proportion of clients within a particular

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demographic group are naturally more likely to receive a higher number of complaints from that group.

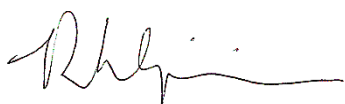
Without appropriate context, such as the demographic profile of a firm's overall client base, this data may lead to inaccurate conclusions about a firm's conduct or treatment of certain customer groups. NIBA is concerned that publishing this information at the firm level, in the absence of meaningful context, may distort public understanding of complaint trends and unfairly impact firms serving specific communities or market segments.

Data Element IDR-DE 3.12: Monetary remedy

NIBA does not support the publication of the dollar value of monetary remedies provided, as this information is likely to encourage copycat claims. Publicising compensation amounts may create unrealistic expectations among consumers or incentivise opportunistic claims based on the perception of likely financial outcomes, rather than the merits of individual circumstances, undermining the integrity of the complaints process.

NIBA welcomes the opportunity to work with ASIC to support the development and implementation of the proposed dashboards. 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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