

The dealer group system is the obvious impediment to the power of product sales force versus true advice.

The banks own the products and always will. They also own the license which is the method of effective control of the adviser and what they advise on.

The banks also form their own professional indemnity companies, as PI insurance never pays out when the client actually needs it.

PI insurance is the major cost of advice.

A young adviser, should be supervised for 3 years like accountants, but after that they should be able to innovate and competitive forces will determine who survives.

If the license was directly issued to the adviser and they were directly responsible to ASIC, the banks would compete with their products on features and price. I say this because without the advisers the banks would have nothing. No ability to sell.

Whilst ASIC claims to protect the consumer, it is clear that they only mop up the mess, which they could still do.

FOFA was a disaster and Bill Shorten is responsible for that, but ASIC itself is John Howard's creation and the dealer group system is a failing of the liberal party.

The future of financial ADVICE depends on fixing this issue.

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