



## Media Release

# A guidance guarantee for all

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**All Australians deserve access to quality independent advice and guidance.**

Quality financial advice can improve financial security, give greater peace of mind and the freedom to pursue lifestyle goals. Super Consumers Australia has used this year's Budget submission to call for the Government to investigate solutions to guarantee trusted guidance so all Australians can achieve these same goals.

"Due to barriers such as cost and lack of trust, many consumers rely on themselves to navigate the complexity of retirement planning. This self-reliance shouldn't be discouraged, but people need high quality independent tools and support to assist them. Super Consumers Australia research found 37% of pre-retirees wanted to take this DIY approach to retirement planning. However, 56% of pre-retirees find retirement planning at least somewhat complicated. New solutions are needed to address the needs of consumers, particularly Australians on low and middle incomes seeking requirement guidance", says Xavier O'Halloran, Super Consumers Australia Director.

"The new Retirement Income Covenant is likely to lead to a large expansion of the range of retirement products available to people. Better tailored products are welcome, but consumers will need assistance navigating the complexity if they are going to switch to better offers. In the UK, they found the majority of consumers (60%) do not switch providers when they buy a retirement product, despite the fact that 80% of these consumers could get a better deal on the open market".

"To achieve this, we need to go beyond the financial advice sector and consider the role of independent organisations, Government and new business models in complementing financial advisers and overcoming these barriers. In the United Kingdom, their Government created a 'guidance guarantee' to develop assistance for people approaching retirement. The proposal received widespread support, even from industry stakeholders, who acknowledged that consumers wouldn't engage with guidance unless it was impartial, good quality and covered the options in the market.

Other key recommendations in Super Consumers Australia's Budget submission include:

- Assigning long term funding to the Superannuation Consumer Advocate so that it can keep consumers at the centre of the superannuation market,



- Establishing an independent inquiry into insurance in superannuation to ensure people are efficiently and equitably protected if they can no longer work due to death or disability.
- Extending the Your Future, Your Super performance test and YourSuper portal to retirement phase products.
- Introducing legislation to require the real time payment of superannuation.
- Fixing an information sharing issue which restricts First Nations people in particular, the ability to easily and freely determine if their deceased relatives have superannuation and its location.

You can read our submission [here](#).

## **ENDS**

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