

**30<sup>th</sup> November 2018**

### **Financial Services Council Members are listening and responding**

The New Zealand financial services sector is undergoing significant regulatory, technology and market change. This includes a significant focus on conduct and culture as well as a number of thematic reviews and today the Financial Services Council (FSC) welcomed the ongoing response by its members.

The industry is listening, responding and evolving to changing consumer needs and public expectations. The life insurance sector knows that it needs to continually adapt to remain relevant to Kiwis and as a significant step forward a number of FSC members have recently announced they are stopping overseas incentive conferences for Financial Advisers.

FSC Chief Executive, Richard Klipin, said “Removing overseas incentive conferences is just one example of how industry is working to deliver improved and more transparent outcomes for consumers.”

### **RBNZ Financial Capability Report**

The FSC also welcomed the comments made by the Governor of the Reserve Bank of New Zealand at the Financial Stability Report press conference yesterday.

“Our members support New Zealanders by paying out \$3.3 million in claims every day and are there for consumers when things don’t go to plan. The people who work in the sector help consumers get the best protection and support them during good and tough times. We take this responsibility seriously and we welcome a high level of scrutiny from regulators.”

### **The FSC Code of Conduct**

The FSC also launched its Code of Conduct earlier in the year which provides Members with a conduct framework that focusses on ethical practices and great consumer outcomes.

Klipin continues, “We aren’t being complacent and the financial services sector takes its responsibilities seriously. It is work in progress and with the launch of the FSC Code of Conduct in September, our members have the framework to raise the bar.”

The FSC Code of Conduct requires members to sign-up and agree to 9 standards covering ethics, communication and ensuring great consumer outcomes. It has a number of sanctions and penalties that an independent disciplinary board can impose, including fines of up to \$100,000 and termination of membership.

“We are an industry that is entrusted to grow, manage and protect wealth, a key pillar to wellbeing. We’re committed to good conduct and culture and to serving New Zealanders in a transparent and honourable way.

“We know there’s always more work to do and the sector is committed to continual improvement and committed to delivering great outcomes for consumers. We await the findings of the FMA and RNBZ report in January.” concluded Mr Klipin.

## **ENDS**

### **For all media enquiries, please contact:**

Richard Klipin  
Chief Executive Officer  
Financial Services Council of New Zealand  
Mobile: 021 0233 5414 or email [richard.klipin@fsc.org.nz](mailto:richard.klipin@fsc.org.nz)

### **About the Financial Services Council**

The Financial Services Council is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 34 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$47.5bn. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver, professional services and technology providers to the financial services sector.

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