

Findex Group Limited and Financial Index Australia Pty Ltd pay \$21,600 in penalties

Between August 2015 and December 2015, FIA published several representations on the Findex website referring to services provided by the Findex group as being 'independent' and/or 'non-aligned'.

The Findex group of companies (which include Findex Group Limited and FIA) promotes itself as one of Australia's largest financial advisory businesses. The Findex website indicates the business advises 250,000 clients nationally and has \$17 billion in funds under advice. In recent years, the Findex Group has grown considerably through the acquisition of smaller financial planning and accounting businesses.

Statements made on the Findex website giving rise to ASIC's concerns included representations that:

- a corporate member of the Findex group, Financial Index Wealth Accountants Pty Ltd, was one of Australia's leading independent providers of retail financial planning, accounting and wealth management services; and
- the Findex group was 'Australia's largest independent financial advice company'.

ASIC was concerned the use of the word 'independent' and 'non-aligned' may have led consumers to believe services being offered by the Findex Group were unaffected by any conflict of interest, such as commissions, when in fact the services offered were likely to have been affected by:

- commissions or other benefits received from the issuer of recommended financial products; and
- conflicts of interest arising out of the group's associations or relationships with issuers of financial products.

ASIC considered that the inaccurate representations of independence by the

Findex Group may have prevented consumers from correctly assessing the quality of the services on offer.

Findex Group Limited and FIA responded to ASIC's concerns by removing the offending statements from the website by December 2015.

'The accurate promotion of financial services, particularly around the issue of independence, is critical in order for consumers to make confident and informed financial decisions.' ASIC Deputy Chair Peter Kell said.

'This action puts the financial services sector on notice that ASIC is serious about tackling the inappropriate use of the term 'independent'.'