

ASIC ANNOUNCES CHANGES TO USE OF RESTRICTED TERMS

A recent ASIC media release has raised concerns regarding the use of the terms 'Independent' and 'non-aligned' across financial services websites, documentation, and collateral.

ASIC has issued infringement notices and penalties to Findex Group Limited and Financial Index Australia Pty Ltd totalling \$21,600 for using these "potentially misleading" claims.

In this case ASIC was concerned that the use of the terms 'independent' and 'non-aligned' may have led consumers to believe services being offered 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.
- Conflicts of interest arising out of associations or relationships with issuers of financial products.

Following this announcement John de Zwart, Managing Director of Centrepoint Alliance, spoke directly with senior officers of ASIC. They confirmed that the terms 'independent', 'non-aligned', 'impartial', and 'unbiased' are generally prohibited from being used. As for the term 'independently owned' – ASIC is currently considering its position.

As a result of this announcement Centrepoint Alliance are taking steps to change instances when the terms 'independently owned' and 'non-aligned' are used across any branded collateral, website content, and its social media platforms.

If your firm's/licensee website, or referral website, includes financial planning services and the terms 'independent', 'non-aligned', 'impartial', 'unbiased', and 'independently owned' (or phrases with similar meaning) then you should be taking steps to remove these as a matter of priority. This extends to social media pages as well.

ASIC has stated that it is serious about tackling the inappropriate use of these terms, and is putting the finance sector on notice. We are aware that ASIC is actively scanning websites and social media sites – so your prompt review and amendment in this matter is required.

For more information the full media release can be found [here](#) – you can also check out this [recent article](#) from the Independent Financial Adviser.

If you have any questions regarding this matter then please contact your Centrepoint Alliance Professional Standards Consultant.