

Financial planning Answers sought

Greens seek commission into finance scandals

**Adele Ferguson
Sarah Danckert**

A Greens push for a royal commission into misconduct in the finance sector looks set to fail after the Labor Party and Abbott government refused to support it.

Greens Senator Peter Whish-Wilson gave notice on Monday that he would call on the Abbott government to launch a royal commission into misconduct in the financial services sector following string of banking scandals and explosive revelations about wrongdoing inside IOOF.

The industry has been rocked in the past couple of years by scandals inside CBA's financial planning division, NAB, Macquarie Private Wealth and now IOOF, which manages more than \$150 billion of customer money and has 650,000 clients.

The scandal engulfing IOOF deepened on Monday as it emerged the group's head of research Peter Hilton was sent on indefinite leave.

The notice of motion filed by Senator Whish-Wilson said the Greens Party "notes the allegations that financial planners at the Commonwealth Bank of Australia, National Australia Bank, ANZ

Bank, Macquarie Bank and, most recently, IOOF having engaged in unethical and/or unlawful activity".

In a statement last night, shadow treasurer Chris Bowen said Labor would not be supporting the motion "at this time".

"Labor is concerned by continued reports of alleged misconduct by financial advisers that see Australian investors lose out," he said.

Mr Bowen said Labor was "considering" the Senate economics references committee inquiry into the performance of ASIC and "noted" the ongoing work of a separate inquiry into financial advice.

"For the meantime, the current Senate inquiry is the appropriate place to continue to examine the roles of ASIC, financial planners, and to talk to victims, some of whom have lost their life's savings," he said.

Representatives for Labor senator Sam Dastyari - who has been vocal in his calls for a royal commission - declined to comment, referring inquiries to Mr Bowen's office.

Assistant Treasurer Josh Frydenberg has long been an opponent to a royal commission into misconduct into the finance sector.

Fairfax Media this week revealed serious allegations of misconduct by current and former members of senior staff including insider trading, front-running, misrepresentation of performance figures and cheating on exams for industry qualifications.

Hundreds of internal documents seen by Fairfax Media show much of the misconduct - including at least two instances of insider trading by former staff - was never reported to the Australian Securities and Investments Commission and instead, IOOF dealt with the matters in-house.

IOOF has said that it stands by its compliance record.

In a statement to the Australian Securities Exchange, IOOF said most of the claims are "historic in nature" but acknowledged some were more recent.

"To the best of our knowledge and based on reasonable inquiries none of the issues raised in the article will cause any loss to any IOOF client, past or present."

Assistant Treasurer Josh Frydenberg confirmed the government had "no plans" for a royal commission.

"The government's focus is now on finalising reforms under way,

including responding to the Financial System Inquiry.”

National senator John Williams said he will support the vote.

Senator Williams has been calling for a royal commission into white collar crime for six years and was instrumental in calling a Senate inquiry into the performance of ASIC and the CBA.

“The Senate inquiry is the appropriate place to continue to examine the roles of . . . financial planners.”

Chris Bowen