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ASIC

Australian Securities &
Investments Commission

ASIC CALLS FOR PUBLIC COMMENT ON CONSUMER EDUCATION

The Australian Securities and Investments Commission (ASIC) today released for public comment a discussion paper on financial services consumer education.

ASIC Commissioner Jillian Segal said this is the first time an Australian regulator has set out a comprehensive strategy on consumer and investor education in the financial services sector.

“ASIC had already undertaken a number of consumer education activities, and we felt it was time to develop a coordinated strategy,” Ms Segal said.

“Consumer education is a key part of ASIC’s tool kit. It is an important complement to our more direct regulation and enforcement activities in achieving a safer marketplace,” Ms Segal said.

“Consumer education gives people the skills and information to make informed decisions and avoid costly mistakes,” said Ms Segal.

“We’ve seen consumers lose millions of dollars through poor choices - education is one of the tools that can help prevent such outcomes,” said Ms Segal.

“More Australians are participating in the financial market through products like superannuation and shares. Better knowledge about these products will enable consumers to understand disclosures and warnings and increase consumer confidence,” Ms Segal said.

The discussion paper also highlights the importance of linkages with the education work undertaken by industry and community organisations.

“ASIC cannot meet all the demands for consumer education in the finance sector on its own, so we need to work with others to ensure that proper education is provided,” Ms Segal said.

The paper raises key issues in education provision, including:

- how to ensure education activities address the areas of greatest consumer risk;
- how to ensure that education is reliable and independent;
- innovative ways to provide and distribute education material.

“We now need input from industry and consumers about priority areas for consumer education so we can better assess the many demands for education in this sector,” Ms Segal said.

The discussion paper, *Educating Financial Services Consumers*, can be obtained from ASIC’s consumer web site on www.watchdog.asic.gov.au or from **Infoline on 1300 300 630**.

Comments on the paper will be accepted up until 8 September 2000.

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