

Shield Master Fund First Guardian Investments: Analysis and Compensation Options

UNDERSTANDING THE IMPACT AND EXPLORING SOLUTIONS

4 AUGUST 2025

Disclaimer

The information presented today is of a general nature and is provided for educational purposes only. It does not take into account your individual objectives, financial situation, or needs. Nothing in this presentation constitutes personal financial advice, legal advice, or a recommendation. Before acting on any of the information, you should consider its appropriateness in relation to your personal circumstances and, if necessary, seek advice from a qualified financial adviser or legal representative.

This presentation is based on information available on the 4 August 2025. Acting on this information at a future date would require confirming the information at that time.

Agenda Items

Housekeeping

Background Information

Current Status of First Guardian and Shield

Compensation Options

AFCA – Australian Financial Complaints Authority

CSLR – Compensation Scheme of Last Resort

What goes in the complaint

Steps Moving Forward

Background Information

Who we are

Dylan Greenway

- Financial Planner since 1998
- Responsible Manager for various Dealer Groups.
- Compliance committee chairman for three separate Dealer Groups.
- Masters in Financial Planning
- Defended financial planners from AFCA actions and also various client cases.

Financial Services Complaints

- Ten year history of client claims.
- Worked with media and politicians to bring about compensation for difficult cases.
- No Win No Fee



Current Status of First Guardian and Shield

First Guardian Update

Basic Facts

- First Guardian commenced 2019 by Falcon Capital headed by David Anderson
- First Guardian Growth was Feb 2021.
- Frozen 27th May 2024 for withdrawals
- 6,000 investors, with up to \$590,000,000 invested.
- Average of about \$100,000 each.

Liquidators FTI Consulting released their report last week

- No real guidance on settlement amounts.
- 18 months a distribution may be paid
- Final settlement years away



Shield Master Fund Update

Basic Facts

- Shield Master Fund commenced May 2021 by Keystone Asset Management
- Redemptions frozen April 2nd 2024.
- 5,800 investors, with up to \$480,000,000 invested.
- Average of about \$85,000 each.

Liquidators Deloitte released their report

- Latest guidance on settlement amounts between \$200-\$400M average of 62c.
- \$100M to be paid in a few months
- Final settlement years away



Potential Compensation Options

Who are the key targets for compensation?

- Who gave you advice?
- If the advice provided to you was not in your best interests or was misleading – you might want to consider a complaint.
- Who authorised the adviser? They are the responsible party.

Shield Master Fund RE: Keystone Asset Management (In liquidation) c. 5,800 investors		First Guardian RE: Falcon Capital Limited (In liquidation) c. 6,000 investors	
Licensee	Authorised reps	Licensee	Authorised reps
Interprac Financial Planning Pty Ltd	Venture Egg Reilly Financial	Interprac Financial Planning Pty Ltd	Venture Egg Reilly Financial
Financial Services Group Australia Pty Ltd (licence Cancelled)	Rebellis Financial Services 5 Point Australia AS Financial Planning STC Financial	Financial Services Group Australia Pty Ltd (licence Cancelled)	Rebellis Financial Services 5 Point Australia AS Financial Planning
MWL Financial Services Pty Ltd		United Global Capital Pty Ltd (In Liquidation)	
Next Generation Advice Pty Ltd (In Liquidation)			

Other compensation options

Superannuation Trustees

- They have a duty to protect the members.
- This includes what investments you have access to, and to monitor those investment on an ongoing basis.

Shield Master Fund	First Guardian
Macquarie Wrap	Netwealth Superannuation
NQ Super	NQ Super
Super Simplifier	Your Choice Super
	Australian Practical Superannuation

Latest News

- Australian Reports Shield Investors to get between \$200M - \$400M of \$480M invested.

Investors in the frozen Shield Master Fund could get some of their retirement savings back before the end of this year as liquidators retrace a money trail that has uncovered more than \$30m funnelled into property, including a \$15m South Yarra luxury apartment.

Liquidators hope to eventually return between \$200m and \$400m of the \$480m investors put into the fund from 2022, The Australian can reveal.

If that lands at the midpoint, \$300m, it would mean investors recover 62c in the dollar from the failed fund. This will likely [take years](#), a source close to the liquidation told this masthead.

Shield was a managed investment scheme that collapsed last year amid allegations of misleading investors and mishandled funds.

Shield investor money was mostly allocated to the Advantage Diversified Property Fund, a vehicle which made loans to various companies associated with property developer Paul Chiodo. This money funded projects in Fiji, Italy, Port Douglas and Melbourne, according to the regulator.

Where is AFCA at today?

- Why are there delays?
- What can the financial firms do?

Exerts from recent AFCA correspondence and website.....

AFCA received more than 100,000 complaints for a second successive year with the following being the break-down:

- Banking and finance 54,581 complaints (down 9%)
- General insurance 34,231 complaints (up 17%)
- Superannuation 6,164 complaints (down 16%)
- Investments and advice 4,193 complaints (up 18%)
- Life insurance 1,518 complaints (up 5%)

What happens next?

Your case is currently waiting to be allocated to an AFCA case worker. This can sometimes take a number of weeks.

Unfortunately, AFCA is experiencing delays in allocating complaints to caseworkers. This is because of an unprecedented number of complaints progressing to case management, especially complaints about insurance issues and those relating to flooding events across Australia.

We are experiencing delays in allocating complaints and expect to allocate your complaint within 7 weeks. If your complaint remains unallocated after this estimate, we will contact you with an update.

We experienced a significant increase in complaint volumes which means allocating complaints to our case workers is taking longer than we would like.

We apologise for the delay and acknowledge this may be a difficult time for you. A case worker will contact you as soon as your complaint has been allocated. More information about how we are managing delays is on our website: www.afca.org.au/what-to-expect/the-process-we-follow/delays.

AFCA Rules

[afca_rules - 1_july_2024.pdf](#)

Limits applying to complaints submitted to AFCA on or after 1 January 2024

Row	Type of claim	Compensation amount limit per claim	Monetary restriction on AFCA's jurisdiction per claim			
1	Income Stream Insurance Claim on a Life Insurance Policy or a General Insurance Policy dealing with income stream risk or advice about such a contract. If the claim is in excess of this monthly limit, the monthly limit will apply unless: <ul style="list-style-type: none"> the total amount payable under the policy can be calculated with certainty by reference to the expiry date of the policy and/or age of the insured; and that total amount is less than the amount specified in row 6. If this is the case, then the limit will be the amount in row 6. 	\$16,900 per month	Amount claimed by Complainant must not exceed \$1,263,000			
2	General Insurance Broking Claim against a General Insurance Broker except where the claim solely concerns its conduct in relation to a Life Insurance Policy (in which case row 1 or 6 applies, as the case may be).	\$316,000	Amount claimed by Complainant must not exceed \$1,263,000			
3	Uninsured Motor Vehicle Claim under another person's Motor Vehicle Insurance Product for property damage to an Uninsured Motor Vehicle caused by a driver of the insured motor vehicle – see B.2.1 f(i)	\$19,000	Amount claimed by Complainant must not exceed \$1,263,000			
4	Credit Facility Claim arising from a credit facility provided to a Small Business or Primary Producer – see C.1.2e and C.1.3b	by a borrower	of a Small Business loan	\$1,263,500	Credit facility must not exceed \$6,317,000	
			of a Primary Producer loan	\$2,526,500		
		by a guarantor to set aside a guarantee supported by security over	the guarantor's principal place of residence	unlimited	Credit facility must not exceed \$6,317,000	
			other security	for a Small Business loan	\$1,263,500	Credit facility must not exceed \$6,317,000
				for a Primary Producer loan	\$2,526,500	
			5	Claim arising from a credit facility that was provided to someone other than a Small Business or Primary Producer	by a borrower	
by a guarantor to set aside a guarantee supported by security over	the guarantor's principal place of residence – see C.1.2e	unlimited			unlimited	
	other security	\$631,500			Amount claimed by Complainant must not exceed \$1,263,000	
6	All other claims (excluding Superannuation Complaints) In any other circumstance by any Complainant (whether or not a Small Business or Primary Producer)	\$631,500	Amount claimed by Complainant must not exceed \$1,263,000			
7	Claim for indirect financial loss	\$6,300	not applicable			
8	Claim for non-financial loss	\$6,300	not applicable			



We provide consumers and small businesses with fair, free and independent dispute resolution for financial complaints

[Start a new complaint](#)

[Manage an existing complaint](#)

We consider complaints about



Credit, finance and loans



Insurance



Banking deposits and payments



Investments and financial advice



Superannuation

Make a complaint



Making a complaint about a financial firm

The Australian Financial Complaints Authority (AFCA) independently assists consumers and small businesses to make and resolve complaints about financial firms.

When you complain to us, we follow a complaint resolution process that provides free and fair outcomes. However, you should be aware that there are certain complaints we can't consider.

Any determinations we make are binding on the financial firm if the complainant accepts. In the case of superannuation complaints, our determinations are binding on both parties, regardless of whether the outcome is accepted.

Our service is free to access. If you need more support, there are other support services such as community legal centres and financial counsellors you can talk to.

There's some key information to know before you make a complaint to AFCA.

Next >

Read the introduction pages

- Independent decisions
- Binding on the financial firm.
- Super complaints binding on all parties.

Before you complain to us



Before you complain to AFCA, we encourage you to do the following:

- [Complain directly](#) to your financial firm first, using their internal dispute resolution process. Many complaints can be resolved quickly once you make contact with your financial firm (for example, your bank, insurer, financial planner, mortgage broker, superannuation fund).
[Find your financial firm.](#)
- Identify the issue you want to complain to us about.
- Work out if you want to authorise someone else to [complain on your behalf](#).
- Think about what type of loss you have experienced, and what sort of [outcome](#) you want to achieve.
- Collect any relevant documents that will help support your complaint.
- If you're experiencing financial difficulty, prepare a [Statement of Financial Position](#).
- Find out where you can [go for help](#) if your complaint doesn't fall within our Rules.
- Read through the [process we follow](#), including AFCA's timelines, and make sure you understand the process for your complaint.

Ready to complain to AFCA?

To lodge a complaint with AFCA quickly and conveniently, you can create a portal account online in just a few minutes. Once your account is set up, you can easily complete and submit the complaint form, track the status of your case, and manage important actions such as responding to requests for information, uploading supporting documents, or providing additional details. You'll also receive notifications and updates related to your case directly through the portal. For additional help with using the portal, you can [click here for more information](#).

To help keep your personal and financial information safe, the portal requires multi-factor authentication. When you create a portal account, you will be asked to verify your email address two times with a unique code. However, once you have an account, you will only need to verify your email address once to log back into the portal.

If you're unable to lodge your complaint online or need additional help, you can submit a complaint via [email](#) (info@afca.org.au) or by [calling us](#) (1800 931 678).

Privacy policy

By proceeding to use the AFCA portal, you agree to AFCA capturing any information as it is entered into the portal. All information provided to AFCA is protected by our [Privacy Policy](#).

[Sign in or create an AFCA portal account](#)



We use multi-factor authentication to protect your information. After clicking 'create' or 'sign in,' enter the authentication code sent to you.

Sign in with your email address

Email Address

Please enter your Email Address

Password

[Forgot your password?](#)

Sign in

Don't have an account? [Sign up now](#)

Keep track of
your login and
password!

Verification Codes for every time you login

Welcome to the AFCA portal

< Cancel



We use multi-factor authentication to protect your information. After clicking 'create' or 'sign in,' enter the authentication code sent to you.

Please provide the following details.

Verification is required for security reasons. Please click the send verification code button.

Email Address

i***@fincomplaints.com

Send verification code

Continue

Need help? Find portal videos and how to guides [here](#).

Verify Code

Welcome to the AFCA portal

< Cancel



We use multi-factor authentication to protect your information. After clicking 'create' or 'sign in,' enter the authentication code sent to you.

Please provide the following details.

Verification code has been sent to your inbox. Please copy it to the input box below.

Email Address

i***@fincomplaints.com

Verification code

Verify code

Send new code

Continue

Need help? Find portal videos and how to guides [here](#).

Welcome to the AFCA portal

< Cancel



We use multi-factor authentication to protect your information. After clicking 'create' or 'sign in,' enter the authentication code sent to you.

Please provide the following details.

E-mail address verified. You can now continue.

Email Address

j***@fincomplaints.com

Continue

Need help? Find portal videos and how to guides [here](#).

Simply hit
continue

Acknowledgement of Country

AFCA acknowledges the Traditional Custodians of this land and we pay our respects to Elders past, present and future. We recognise and will be guided by the knowledge, wisdom and longevity of First Nations cultures. We commit to our role in improving financial inclusion for First Nations peoples and to increase the diversity, inclusion, cultural safety and awareness of our workplace and the services we deliver.

[Read our Reflect Reconciliation Action Plan.](#)

Do you identify as Aboriginal or Torres Strait Islander? (Required)

Yes No Prefer not to say

Save and Continue

Financial Advice firms aren't Super funds

- This is an example against Venture Egg.
- You can also complain against Super funds like AusPrac, YourChoice, Macquarie and Netwealth (which you would tick yes for).

Find a financial firm or superannuation fund

Use our search tool below to find the contact information for a financial firm or superannuation fund. If you cannot find the firm you are looking for, get in touch through our live chat or call us on 1800 931 678.

Are you complaining against a superannuation fund?

No Yes

Enter the financial firm your complaint is with **(Required)**

- Enter the name of the financial firm your complaint is with.
- Have a look at any correspondence you have from them to make sure you are entering the correct name.
- If you cannot find the firm you are looking for, please [chat with us online](#) or call us.

Interprac Financial Planning Pty Ltd



Do you have a customer or account reference number with the financial firm? **(Required)**

If your complaint is about:

- an insurance policy, enter the policy number
- a bank account, enter the account number
- a credit card, enter only the last four digits

Select 'no reference' if you are unable to provide a reference.

Account number



Please enter your reference number **(Required)**

123456

What is a complaint?

- Any expression of dissatisfaction with a product or service.

Do you have an open AFCA complaint about this same financial firm? (Required)

If you have an open complaint against the same financial firm, we will merge the issues raised into the existing complaint, if we consider that this approach would be efficient and does not compromise the time required to resolve the other issues.

No Yes

Have you complained to the financial firm?

No Yes

Complaint to the Financial Firm

When did you complain to the financial firm? (Required)

Select or enter an approximate date

28/03/2025

Briefly state how you complained. (Required)

For example, "I called and spoke to someone in the call centre" or "I sent an email to Shannon Smith, my account manager"

I emailed the firm and asked for my adviser fees back.

Did you receive a final written reply from the financial firm?

This may be called the financial firm's 'internal dispute resolution' or 'final' response to your complaint

No Yes

Has the financial firm started legal proceedings in a court?

Your financial firm may have started legal proceedings against you to recover a debt. If so, you should have received paperwork about this. It would be helpful if you provide us with a copy of any legal documents you have received in the document upload section.

If you have received a default judgement in relation to an outstanding debt with a financial firm and the firm has declined your request for assistance in repaying the judgement debt, we may be able to assist you in very specific circumstances. Refer to our fact sheet on default judgement and financial difficulty for more information.

No Yes

Terms and Conditions

Your information will be released to the financial firm as part of information sharing.

You can request some information to be withheld.

Authority to AFCA

AFCA is committed to providing a service that is accessible to everyone, including giving you the information you need, in a format that works for you.

AFCA collects personal information when investigating and determining a complaint. The type of personal information that AFCA may collect includes identity and contact information, financial information and sensitive information. AFCA requires this information to properly investigate a complaint about a financial firm.

Details about how we handle your personal information are set out in our Privacy Policy available [here](#). Our Privacy Policy includes information on how you can access or correct your personal information that AFCA holds. It also sets out how you can make a complaint about how AFCA has handled your personal information.

You may withdraw your consent for us to handle your personal information by contacting us, however we will be unable to resolve your complaint and we will continue to keep information that has been collected. If known at that time, we will also inform you of any other potential impact that withdrawing your consent may have. Withdrawing your consent will not impact how we comply with our legal and regulatory obligations.

If you have any questions about how AFCA handles privacy, you can speak to an AFCA staff member or contact AFCA Privacy by email to privacy@afca.org.au.

By making a complaint to AFCA, you consent to AFCA considering your complaint against a financial firm's in accordance with AFCA's Rules. You authorise AFCA to use and disclose your information, including relevant sensitive information:

- by exchanging it with the financial firm's, other parties or external organisations where reasonably necessary for the purpose of dealing with the complaint, or as required or permitted by law
- by exchanging it with other financial firms where there are multiple complaints against different financial firms
- to another financial firm or dispute resolution service where AFCA decides it is appropriate they handle your complaint
- in connection to an industry code compliance investigation or monitoring activity
- if reasonably necessary, for this complaint to resolve another complaint that may or may not be related to this complaint
- to undertake service improvement activities, such as obtaining complaint feedback and through review mechanisms for AFCA approaches in determinations as set out in [AFCA's Guidelines](#).

You also authorise your representative (or that representative's organisation), other complaint parties, or the financial firm to exchange your information, including relevant sensitive information, to other parties for the purpose of dealing with the complaint, and as required or permitted by law.

If you are a representative completing this form on behalf of the complainant, you confirm that:

- the complainant has authorised you to act on their behalf in this complaint
- the complainant is aware of the matters set out in this authority, and
- you have provided AFCA with the complainant's current contact details and you acknowledge that AFCA may consider it appropriate to contact the complainant directly to confirm your authority or discuss the complaint.

I confirm I have read and agree to the above authority statement. **(Required)**

Working together to resolve the complaint

AFCA's Engagement Charter outlines our expectations about how people using our service will engage with us and each other during our complaint resolution process. It also describes the service standards you can expect from us. Our Engagement Charter can be found [here](#) or you can call us for a copy.

I understand and agree to follow the behaviour expectations set out in the AFCA Engagement Charter during AFCA's dispute resolution process. **(Required)**

[Back a step](#)

[Save Draft](#)

[Save and Continue](#)

Investment Service

Product is Super fund.

Type of Service

In this stage, you will be asked to select the type of service that you have an issue with. This could include things like banking, insurance, investments, etc. This will help us understand the nature of your complaint.

What type of service does your complaint relate to? **(Required)**

Investments - eg shares, managed funds, currency trading, timeshare schemes



What type of investment product or service is your complaint about? **(Required)**

Superannuation Fund



Back a step

Save Draft

Save and continue

Complaint Details

Do your best here – you will have a chance to add more in time.

Consider more about how the advice was not appropriate to you.

Don't focus on the product failure. Focus on the advice you were given.

Complaint details

This step will ask you to tell us about your complaint.

Please select the option/s that match your complaint best, then provide us with more details when asked further down the page.

You can click 'Save Draft' if you need time to gather information to add details about your complaint.

What is your main complaint about? (Required)

Inappropriate or incorrect financial advice



When did the event giving rise to the complaint take place?

09/04/2025



How many instances of inappropriate or incorrect financial advice?

My complaint is about one instance of advice



Tell us about your complaint (Required)

This is an opportunity for you to tell us about the complaint in your own words. Where you can, please include dates, names, what happened, and other information that you would like us to know.

Please note: You can enter up to 10,000 characters. If you need to include more information, you can attach additional documents on the next page.

I was told I could increase my Super returns over time. In my Statement of [Advice](#) I was promised higher returns with low risk and diversity.

This advice was not appropriate as the investments were not diverse and higher risk than I was told. I also believe that the projections provided were misleading.

Attach Files

Please upload any documents or files you feel are relevant to your complaint. This might include statements, contracts, receipts, photographs, reports and information you have sent to your financial firm.

Important information

AFCA will share your information with all complaint parties (unless special circumstances apply). If you want to only give AFCA your information, we may contact you to understand why the file cannot be shared. You can access AFCA's approach to assessing special circumstances [here](#).

AFCA does not review the information you provide before sharing it. Please only provide relevant personal information about yourself and others. To help us protect your privacy, **please do not provide us with any reference numbers assigned by government agencies**, such as tax file number (TFN), Medicare, or driver's license number. [Learn more](#).

Documents

Add Documents

File Name	Document Category	Provided by Party	Sensitive	AFCA Only	Created On ↓	Edit
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There are no records to display.

Back a step

Save Draft

Save and Continue

You can
upload files

If a file helps your case
add it here. AFCA expects
full disclosure.

Outcomes Sought

Ask to be placed in a position today that you would have been “but for” the poor advice received.

Loss calculation – can be done by AFCA or by yourself.

Outcome sought

AFCA will generally try to first resolve a complaint by informal methods and reach a settlement between you and the financial firm through negotiation or conciliation. However, if we make a formal decision, there are a number of outcomes – also called ‘remedies’ – that we can provide under our Rules. Find out more about our complaint resolution process, including when we will make a decision.

[Section D of our Rules and Operational Guidelines](#) provides greater detail about remedies, and when we can apply them.

Are you seeking compensation? **(Required)**

For example, are you seeking money, a change to an amount you owe or some other kind of payment to resolve your complaint?

Yes No Not Sure

I am not sure exactly how much I am seeking

Enter the exact amount you are seeking in \$AUD **(Required)**

What do you think is a fair and reasonable outcome? **(Required)**

For information and examples of outcomes AFCA can provide, please click [here](#)

Ways to access AFCA

- You can use the AFCA portal
- You can email a complaint form to AFCA
- You can make your complaint over the phone.

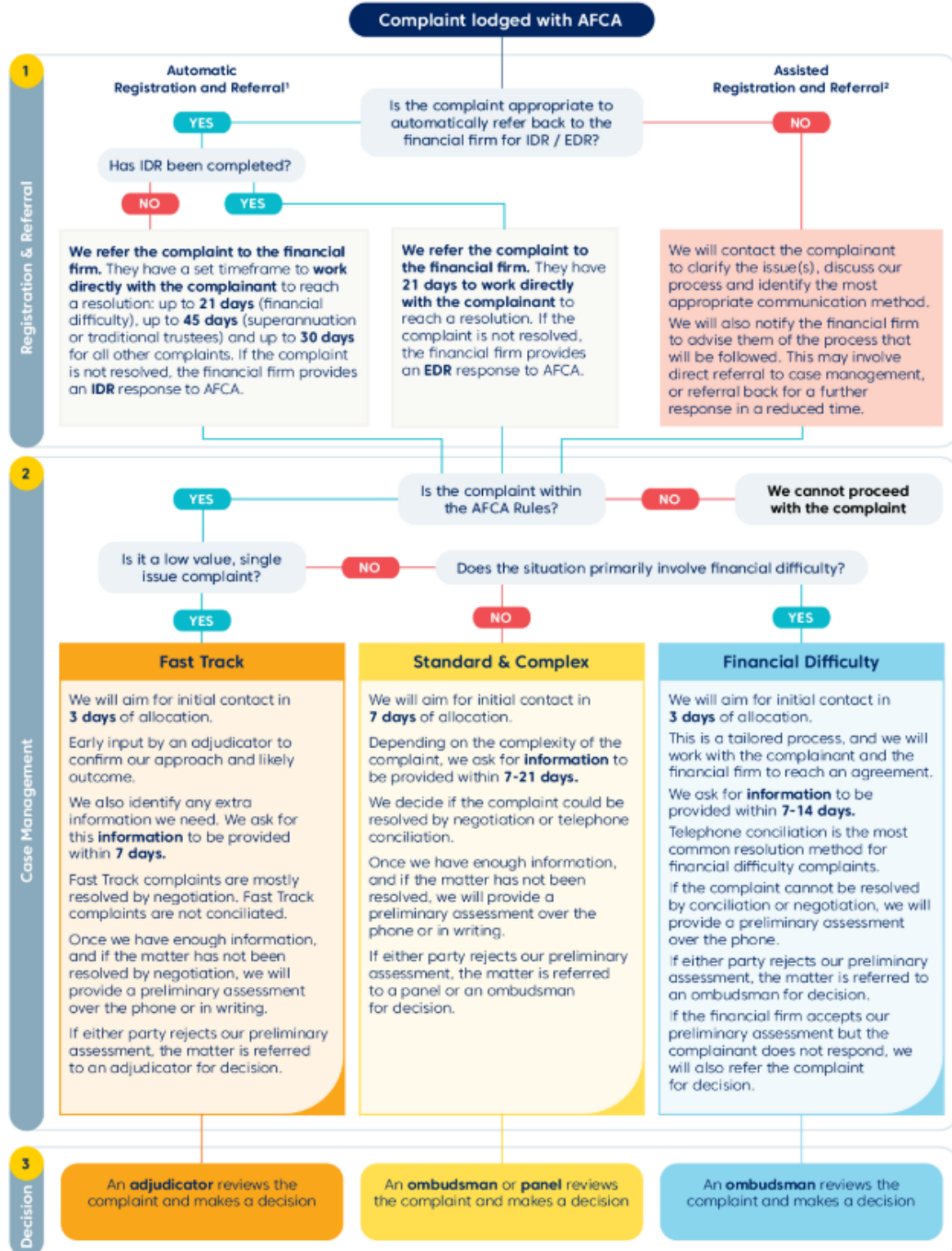
Before you complain to AFCA, we encourage you to do the following:

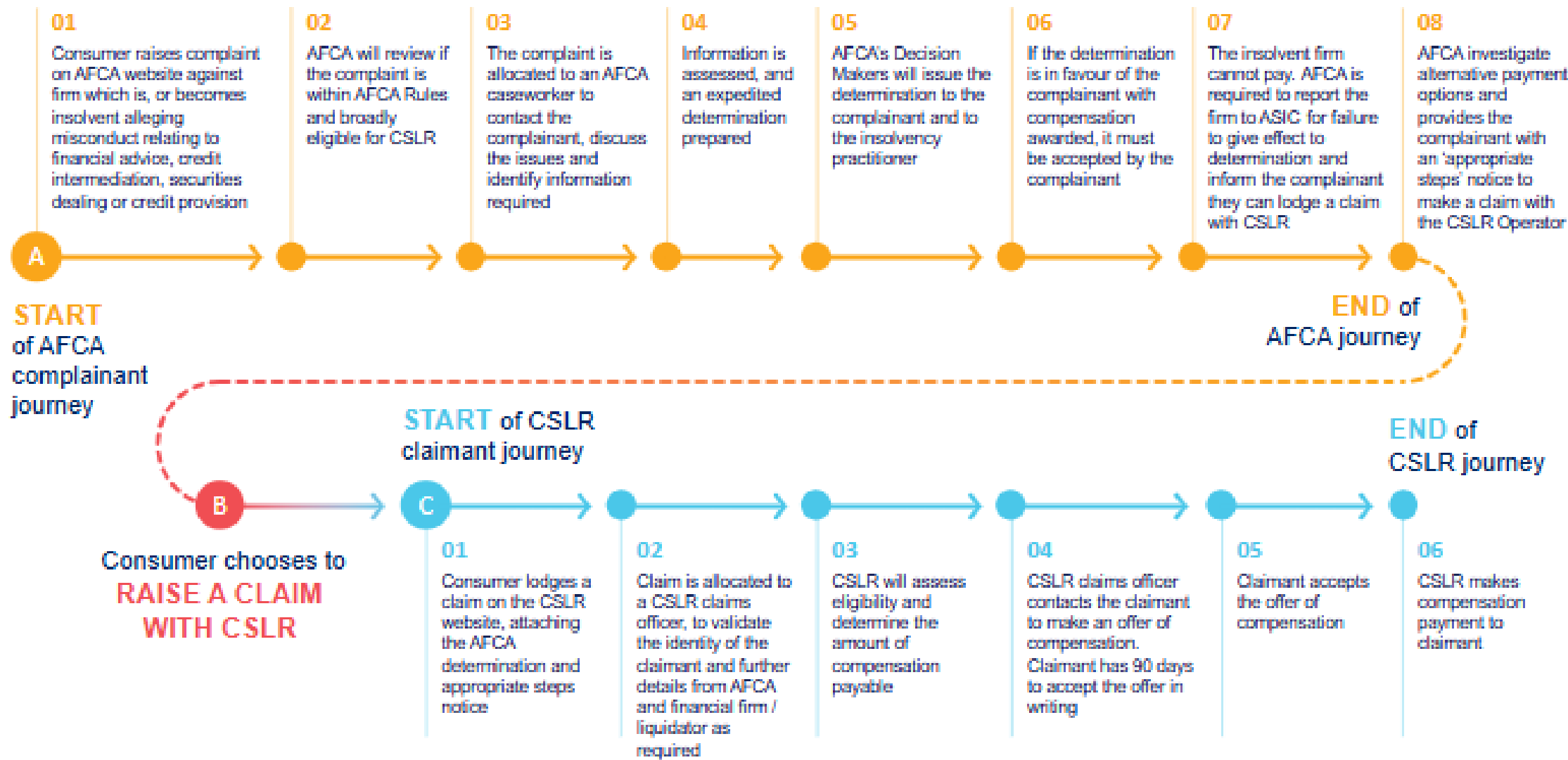
- [Complain directly](#) to your financial firm first, using their internal dispute resolution process. Many complaints can be resolved quickly once you make contact with your financial firm (for example, your bank, insurer, financial planner, mortgage broker, superannuation fund). [Find your financial firm.](#)
- Identify the issue you want to complain to us about.
- Work out if you want to authorise someone else to [complain on your behalf](#).
- Think about what type of loss you have experienced, and what sort of [outcome](#) you want to achieve.
- Collect any relevant documents that will help support your complaint.
- If you're experiencing financial difficulty, prepare a [Statement of Financial Position](#).
- Find out where you can [go for help](#) if your complaint doesn't fall within our Rules.
- Read through the [process we follow](#), including AFCA's timelines, and make sure you understand the process for your complaint.

The AFCA Process

AFCA complaint resolution process

Effective from 27 February 2023





Compensation Scheme of Last Resort

- Need to get an AFCA determination first
- Maximum payout of \$150,000.
- New eligibility criteria



Who can make a claim?

– What is covered?

For you to be eligible, your financial firm must have been licensed to provide the following products or services, and your financial loss must be related to one or more of these licensed products and services:

- Personal financial advice – for example, a financial planner gives you inappropriate advice causing financial loss.
- Dealing in securities for retail clients – for example, a stockbroker buys shares for you, resulting in financial loss.
- Providing credit – for example, a credit provider gives you regulated credit you can't afford.
- Arranging credit – for example, a mortgage broker inappropriately arranges funds for you.

Please note: these examples are illustrative only.

We don't cover certain financial services and products, including:

- managed investment schemes
- foreign exchange or derivatives trading
- consumer credit insurance
- general insurance
- scams

Legislation defines eligible products and services and is set out in law.

The CSLR must apply the law when assessing claims.

CSLR

- Has its own process and portal.
- Web site states it is a 12 week process

Claims compensation scenarios

Scenario 1

AFCA determination awards compensation is to be paid to an individual in their personal capacity, SMSF, ... and/or superannuation account.



Case study

Retiree Pam received personal financial advice from an advisor that did not align with her best interests. The advisor recommended investments that were not suitable for her risk profile and provided advice on a related investment that may have involved a conflict of interest.

The AFCA determination is

To be awarded to Pam

\$200k

The CSLR can compensate her up to the CSLR Cap

\$150k

These are the compensation payment options available to Pam dependent on her AFCA determination:

CSLR Struggling to keep up

Standard Sub-Sector limit for
Financial Planning is
\$20,000,000 p.a.

This year just under \$80Mil
(special levies)

Next year \$123Mil?

Dixon Advisory – Added CSLR costs

He added: “We've now got 1,134 cases that are going to be industry funded ... we're talking about \$136 million. That is a very sizable number, and it's one that worries us greatly, and we will be vigorously continuing our CSLR advocacy campaign, particularly with that escalating our concerns.”

Who in the industry pays?

While the financial advice subsector is only meant to cover the cost of bad advice through the CSLR, the practical reality is that when there has been advice misconduct related to a large fund that has gone belly up, the entirety of the client losses is apportioned to the advice.

Regardless of whether the primary area of fault lies with the responsible entity, if an advice failure is attached, the whole CSLR bill gets sent to the advice subsector.

Arguments for this to change have been made since the CSLR's structure was put in place, but the Treasury review – the release of which appears to be in a constant state of “imminent” – may allow for this to change.

Consultation on options to apply a special levy in relation to the CSLR

The Compensation Scheme of Last Resort (CSLR) pays compensation to claimants where an eligible determination issued by the Australian Financial Complaints Authority (AFCA) remains unpaid.

On 4 July 2025, the CSLR operator notified me that the estimated claims costs relating to personal advice in 2025-26 were \$67.3 million.

This exceeds the \$20 million limit on levies that can be applied to the advice sub-sector to fund the claims.

This has triggered the option available to me as the responsible Minister under the CSLR legislation to raise a special levy to pay for the excess costs.

I have asked Treasury to consult on all statutory options available to deal with this matter. The paper seeks feedback on a broad range of options to inform my decision.

Stakeholder feedback on this matter will also inform ongoing consideration into the CSLR as part of the CSLR Post-implementation Review.

I look forward to engaging constructively with stakeholders to address the excess and consider opportunities to support the ongoing sustainability of the CSLR.

The consultation paper is available on the [Treasury website](#) and stakeholders may provide submissions up until 29 August 2025.



The Hon Dr Daniel Mulino MP
Assistant Treasurer, Minister for
Financial Services

Subscribe



[RSS](#)



[Email](#)

Details of your Advice

KEY DOCUMENTS

Getting Organised – Key Documents

- Statement of Advice (SOA)
- Fact File
- Records of Advice (ROA)
- Correspondance
- Cash transaction list

What you can do:

- Plot the rough timeline of events.
- Consider what advice you were seeking, what should have been appropriate advice?
- Consider what was delivered?
- When did you find out about problems with the investment? Was there a responsibility?
- What is your level of sophistication and financial literacy?
- How were you feeling about your Super?
- Why did you proceed – what were you told or promised?

Statements of Advice

- SoA is the key document
- Each person might have their own issues or particular circumstances that made the advice inappropriate

Potential areas on non-compliance:

- Was the advice in your best interests?
- Was the advice appropriate for your circumstances?
- Was there diversity in the recommended products?
- Was it a High-Risk product?
- Were the projections realistic?
- Were there any Conflicts of Interest disclosed?
- Did you speak with the adviser listed on your SoA only after the advice was implemented?

Key Advice Failings

MAJOR ISSUES TO CHECK FOR

- Incorrect return figures used
- Incorrect fee structures in comparisons
- Investments in the Statement of Advice not correctly implemented.
- Funds moved without consent.
- Failure to disclose conflicts of interest
- High risk investments and not diverse

OTHER ISSUES

- Insurance not implemented properly.
- Terrible service
- Frozen funds hidden from investors.

The Statement of Advice

What was in it?

In the example:

- Provided 22nd June 2023.
- Recommends a growth portfolio in First Guardian only.
- States a 9.88% return on the new investment.
- States an improvement of \$656,489 by retirement in your savings.

- How was your SOA presented to you?
- Who did you speak to?
- Why did you proceed?

Exert from an example Statement of Advice.....

	REST - Core Strategy	AusPrac FGC - Growth
Investment Returns	5.56%	9.88%
Annual Ongoing Fees	\$2,890.85	\$2,524.26
Upfront Adviser Fees		\$3,300.00
Current Super Balance	\$425,609.00	\$422,309.00
Projected Balance in 5 years	\$620,818.26	\$724,239.52
Projected Balance in 15 years (At age 67)	\$1,155,112.15	\$1,811,601.18
Projected Difference		\$656,489.04
	Client best interest duty	
	Average annual better position after all fees and taxes	\$43,766

Check your numbers

This document shows a 15% return for the recommended investment...ask questions about these returns.

Exert from an example Statement of Advice.....

Cost Comparison	Current	Recommended	Difference
	CBUS Super	Netwealth	
Balance	\$94,447	\$90,291	\$4,156
Lump Sum Comparison	Current	Recommended	Difference
Admin Fees	\$179	\$571	-\$392
Investment Fee	\$425	\$376	\$49
Other Fees	\$161	\$132	\$28
Adviser service fees	\$0	\$1,490	-\$1,490
Net contributions p.a.	\$9,800	\$9,800	\$0
Insurance premiums	\$672	\$672	\$0
Net Annual Cost	Current	Recommended	Difference
<i>Total Cost</i>	\$765	\$2,569	-\$1,804
<i>Total Cost Percentage</i>	0.81%	2.85%	-2.04%
Investor profile	Growth	Balanced	
5-year rolling average	9.81%	15.00%	5.19%
Lump sum comparison			
In 5 years	\$184,182	\$195,545	\$11,363
In 10 years	\$313,180	\$364,326	\$51,146
At retirement age	\$1,148,403	\$1,764,907	\$616,504

Records of Advice

Potential non-compliances:

- Did it allow for informed consent and did you provide informed consent?
- Do you have a copy of any attachments?
- Were Fees, conflicts of interests mentioned?
- Did you talk to anyone?

Exert from an example Record of Advice.....

Important

Our recommendations are based on our understanding, from discussions with you that your personal circumstances as shown in the above-mentioned SOA have not significantly changed. Please note, it is essential that you review the information provided in the above link. In the interest of managing your portfolio effectively, if we do not receive your response within the next seven (7) days. The proposed orders will be considered approved, and we will proceed with the adjustments to your portfolio accordingly. If your circumstances are significantly different, please let us know so we can review the appropriateness of this advice for you.

Loss Calculation

AFCA works on a “But For” basis.

Summary of the AFCA Approach

In financial advice complaints, we ask consumers to identify the loss they say they have suffered as a result of the inappropriate financial advice they received.

We then identify whether each claimed item of loss is a direct loss, and whether the consumer should be awarded compensation.

Where inappropriate financial advice has been provided, the purpose of compensation is to place the consumer in the financial position they would have been in if the financial adviser had provided appropriate financial advice.

If a financial firm has provided misleading information, the purpose of compensation is to place the consumer in the financial position they would have been in had the financial adviser not misled them.

We work out the amount of a consumer's loss by comparing the consumer's actual financial position as a result of the inappropriate financial advice (or the misleading conduct) with the financial position they would have been in if they had received appropriate financial advice (or had not been misled by the adviser).

Example

- This is from a successful claim for a First Guardian Investor

Exert from an example AFCA determination.....

Mr W			
Actual Scenario	\$	Estimated likely lost returns	\$
Contributions		Contributions	
Initial rollover	201,944.13	Initial rollover	201,944.13
Subsequent rollovers	12,000.00	Subsequent rollovers	12,000.00
Total	213,944.13	Total	213,944.13
Benefits		Benefits	
Balance at end date	1,746.06	Balance at end date	269,043.85
Total	1,746.06	Total	269,043.85
Benefits Less Contribution (loss)	(212,198.07)	Benefits Less Contribution (profit)	55,099.72
Total loss	(267,297.79)		

The total loss between 4 June 2020 to 1 April 2025 is \$330,479.88.

Any return from the liquidation will reduce the loss

On 9 August 2024, the financial firm entered liquidation. On 27 February 2025, the Federal Court of Australia froze the assets of FG. On 9 April 2025, the Federal Court directed FG to be wound up. It is currently unclear whether the complainants will receive any return from either the liquidation of the financial firm or the wind up of FG.

In calculating the direct losses set out above, I have attributed a nil value to FG. Any other assumption would be speculative. For this reason, any return to the complainants in either the liquidation of the financial firm or the wind up of FG must be subtracted from the compensation amount. This is because it has the effect of reducing the complainants' loss.

It is fair to award interest

To maintain the real value of compensation, the financial firm must also pay interest on \$331,618.88 (less any return from the financial firm or FG), equivalent to the value of the change in the Australian Consumer Price Index from 2 April 2025 to the date of payment.

The Next Steps

The Media

- Personal decision
- To date I haven't seen an adverse decision due to media interaction.

First Guardian collapse leaves thousands at risk of losing super as ASIC freezes director assets

By Nassim Khadem and Mackenzie Colahan

Superannuation

Fri 4 Jul



Juan Carlos Sanchez says he made a mistake when he reinvested his super. (ABC News: Thomas Souchard)

Contacting Politicians

- Good to raise awareness
- Point out the problems you are seeing with possible solutions
- Stay on point

Parliamentary Committee

Completed inquiries 2022-25

Current Parliament		Previous parliament					
2022-2025	2019-2022	2016-2019	2013-2016	2010-2013	2008-2010	2004-2007	2002-2004
1999-2002	Pre 1999						

If you are unsure when a report was tabled, or which committee tabled a report, consult the [Register of Senate Committee Reports](#).

Oversight of ASIC reports tabled between 1997-2019

Report Name	Date Tabled
Wholesale investor and wholesale client tests	13 February 2025
Financial Services Regulatory Framework in Relation to Financial Abuse	5 December 2024
Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry	7 November 2024

The Next Steps

What else you can do.

- Don't give up on your own financial planning.
- Check any other advice you have been given.
- Review your current financial position, do you need to change anything, are there other areas exposed.
- Insurances – was this information provided?
- Debt
- Mental health.



Disclaimer

The information presented today is of a general nature and is provided for educational purposes only. It does not take into account your individual objectives, financial situation, or needs. Nothing in this presentation constitutes personal financial advice, legal advice, or a recommendation. Before acting on any of the information, you should consider its appropriateness in relation to your personal circumstances and, if necessary, seek advice from a qualified financial adviser or legal representative.

This presentation is based on information available on the 4 August. Acting on this information at a future date would require confirming the information at that time.