

Media Release

For release: 5 November 2018

Culture and Conduct Report into Retail Banks an important step

The Financial Services Council (FSC) has welcomed the release of the culture and conduct report into retail banks by the Financial Markets Authority (FMA) and Reserve Bank New Zealand (RBNZ) as an important step forward for the financial services industry.

Richard Klipin, CEO of the FSC said “The FSC and its members are taking the findings of this report very seriously. There are a number of key recommendations in the report that show there is significant work required to improve:

- the governance and management of conduct risks with greater Board accountability,
- weaknesses in how the sector identify and remediate conduct risks proactively,
- staff training and feedback, and
- sales incentives structures.

“The FSC will work with its key stakeholders to progress these recommendations across the industry and with members.

“The FMA and RBNZ are to be commended for the robust and appropriate process they have followed to date and how they have engaged with the industry during the review.

“The review has been rigorous and has held a mirror up to the industry which will enable us to reflect and improve.

“Trust in financial services is very important, so it was heartening to see that in the survey that accompanied the report, 7 out of 10 Kiwi’s trusted their bank.

“It is also important to note that the FMA and RBNZ do not consider there is widespread misconduct in the retail banking sector.

“Good culture and conduct are the responsibility of all including regulators, government and the sector itself and as such, the FSC welcomes and expects this kind of scrutiny given our members manage, build and protect the wealth of New Zealand.

“As a sector, we have started to make real progress in lifting standards and changing culture through the launch of the FSC’s Code of Conduct.

“We know that we still have much to do and look forward to the release of the second stage of the review focused on insurance and advice,” concluded Mr Klipin.

Note: The FSC and its members represent the Life Insurance, KiwiSaver and the Funds Management sector not retail banking activities.

ENDS

For all media enquiries, please contact:

Richard Klipin
Chief Executive Officer
Financial Services Council of New Zealand
Mobile 021 0233 5414 or email richard.klipin@fsc.org.nz

About the Financial Services Council

The Financial Services Council is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 35 members comprise 95% of the life insurance market in New Zealand, and manage funds of more than \$47.5bn. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver, professional services and technology providers to the financial services sector.

www.fsc.org.nz

Twitter: [@FSC_NZ](https://twitter.com/FSC_NZ)