

**12 April 2019**

Mike D'Argaville  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

**By email: [submissions@afca.org.au](mailto:submissions@afca.org.au)**

Dear Mr D'Argaville

**AFCA Rules Change Consultation**

BLSSA Pty Ltd (**BLSSA**) welcomes the opportunity to comment on the Australian Financial Complaints Authority (**AFCA**) consultation paper on the proposed changes to the AFCA Rules (**Rules**).

BLSSA was established in 2011 as a subsidiary of NAB. BLSSA holds Australian Credit Licence 391237, and was established solely for the purposes of *National Consumer Credit Protection Act 2009 (NCCP)* licensing laws that came into effect 1 July 2010. BLSSA, as an Australian Credit licensee, currently authorises approximately 2,500 brokers as its credit representatives for the purposes of those laws. These brokers largely operate as independent businesses and utilise BLSSA for licencing purposes.

We support the proposed changes to the Rules which will allow AFCA to deal with complaints about conduct by financial firms dating back to 1 January 2008, which AFCA, its predecessor schemes, courts or tribunals have not previously dealt with.

Due to the nature of licencing arrangements and brokers operating as independent businesses, BLSSA anticipates that some complaints received as a result of changes to the AFCA Rules will relate to activity that occurred before BLSSA and licencing existed.

BLSSA considers that any activity that arose prior to licencing laws should be the responsibility of the individual broker. This is on the basis that BLSSA's licencing obligations did not come in existence prior to 2010 therefore relevant obligations would not be applicable, BLSSA would have no access to information over such a period, BLSSA is unlikely to have access to relevant insurance cover, and BLSSA has no contractual ability to enforce prior to authorisation.

In conjunction with issues noted regarding BLSSA's insurance cover, it is likely that a significant number of brokers would have changed or amended their insurance cover following the introduction of the current licencing regime. There are likely to be brokers who also would not have access to adequate insurance cover against credit activity that was provided prior to 2011.

While we note that currently the number of complaints brought against brokers is relatively low, to ensure a consistent application of the Rules, and support improved customer outcomes, we seek

further clarification as to how the Rules will operate with respect to licensees and brokers; including consideration of how compensation payments are made.

BLSSA would be pleased to discuss any aspect of our submission with AFCA further.

Yours sincerely,

Marcia Wise  
Head of Broker Partnerships Monitoring & Supervision