



## Financial Services Federation

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**Media Release**  
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### **FSF calls for MBIE to avoid huge regulation double-up**

The Financial Services Federation (FSF) is urging the Ministry of Business, Innovation and Employment (MBIE) to reconsider its position regarding consumer credit contracts providers being captured in the review of the Financial Advisers Act (FAA) 2008.

In a [submission made in March](#), FSF Executive Director Lyn McMorran made a clear case as to why the provision of consumer credit contracts should be excluded from the scope of the Financial Advisers Act Review.

This included the fact that consumer credit contracts are already captured under the Credit Contracts and Consumer Finance Act (CCCFA), where all necessary consumer protections already exist.

For these contracts to also be included in the FAA would mean a double up in regulation, putting unnecessary strain on the industry and its consumers.

While the Ministry has acknowledged this anomaly, and that regulation double-ups should be avoided, consumer credit-contracts are yet to be carved out from the Bill which is still expected to have its first reading before the House rises for the Election in July.

McMorran's argument was highlighted this week when MBIE announced the 9 individuals selected for a working group tasked with developing the new code of conduct for financial advice, in light of the Act's review.

Of these 9 working group members, not one is a representative of the consumer-credit contract space.

"This is concerning to us," McMorran says, "Because it seems that a code committee has been developed before the scope of the Act has actually been fully determined,".

"We hold the position that consumer credit contracts do not belong in the Financial Advisor's Act because they are covered by the CCCFA.

"However, if we are still to be included in it, we have a problem because there is now no representative from the credit consumer advisory sector on the committee.

“This is not to criticise the calibre or professionalism of those who have been selected for the committee. But if consumer credit contracts are to be left in the act, they should be represented on the committee.

“However, as our submission has pointed out, they should be excluded from the act altogether.”

FSF members pride themselves in taking their compliance obligations extremely seriously, but are of the position that regulation should be developed with the appropriate balance of providing consumer protection, and ensuring that business is not over-burdened with unnecessary or competing compliance obligations.

See the Financial Services Federation’s full submission [here](#).

See the Government’s official announcement of the committee members [here](#).

For all media enquiries, image and interview requests, please contact Hannah McKee, at [hmckee@fsf.org.nz](mailto:hmckee@fsf.org.nz).

### [The Financial Services Federation \(FSF\)](#)

The Financial Services Federation (FSF) is New Zealand’s largest industry organisation representing responsible, non-bank financial institutions.

The FSF has a strict joining criteria and takes a “quality over quantity” approach to its membership numbers. The Federation currently has 56 members, all of which are subject to a Code of Conduct which ensures its reputation as the setter of industry standards in responsible lending. In 2009, FSF released the [Responsible Lending Guidelines](#) to inform consumers about what they should expect from a lender when borrowing money. The Federation also joined forces with New Zealand Federation of Family Budgeting Services to develop the [Code of Responsible Borrowing](#) to inform consumers of what they need to know and their obligations when borrowing.

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