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Reg. the consultation on superannuation complaint handling Approaches

AFCA want to design a document with enhance clarity and transparency in AFCA’s complaint handling processes when it’s short history shows that it has ignored people that were affected by weaknesses in the financial system and regulatory failure. Had AFCA been a legitimate last resort for the people, as Kenneth Hayne had recognised and recommended, it would have seen and acknowledged that there are people harmed by misconduct in the financial system that have no recourse. Such as the people harmed by the no longer registered Trio Capital Limited. AFCA did not listen or make a determination for the Victims of Financial Fraud (VOFF). AFCA’s reply to VOFF’s submission in November 2018 was to inform that AFCA refuses to look at any submission by Trio victims because the Trio Capital Company wasn’t a member of AFCA.

VOFF’s submission was about regulatory failure and systemic issues and not about Trio Capital Limited but AFCA later explained that Trio Capital needed to be re-registered and become an AFCA member before it could accept a submission. VOFF had evidence such as court documents, liquidator reports, and information obtained under Freedom of Information law, to support VOFF’s allegations of regulatory failure, but seemingly hard-evidence was irrelevant and AFCA remained transfixed about Trio being re-registered and becoming an AFCA member.

So VOFF made inquiries into re-registering Trio. One of the big auditing firms quoted \$50,000 to re-register Trio. At the same time, VOFF checked with the Australian Securities and Investments Commission (ASIC), only to find out that ASIC might not issue an investment license (responsible entity) considering Trio’s previous history. That meant VOFF could pay \$50,000 to find out that Trio can’t be re-registered. Also in seeking further clarification about re-registering Trio, VOFF wanted to know if Trio would be required to hold an investment license?
Also, if AFCA gave the Trio victims a positive determination, would the new licence holder (Trio victims) be required to pay the compensation?

The victims felt they were being led down the garden path to further financial destruction by some senseless Catch-22 nonsense that AFCA was instigating. AFCA refused to answer or clarify VOFF’s concerns around the spending of \$50,000. It simply reiterated that Trio Capital must be a member of AFCA before it can answer. AFCA wanted the victims of a financial crime to raise a closed company from the ashes so the re-registered company could then buy membership with AFCA.

Had AFCA been less unfriendly and applied more attention to serving the interests of the public, and took VOFF’s issues seriously, it would have seen corruption well before August 2024, when [Senator Andrew Bragg in a 15-minute speech in Parliament](#) said, *‘The government is involved in corrupt activities and systemic wrongdoing in regards to union funds such as the Construction, Forestry and Maritime Employees Union’s (CFMEU’s) super fund Cbus and the river of gold flowing into the government’s coffers. The amount of money that is going from funds into the unions in the last year reached \$40 million in Australian Super fund member’s money. Money is being siphoned off to the unions and all their associated lobby groups.’*¹

¹ Senator Bragg, Why is the Government silent about CFMEU’s super fund Cbus? 19 August 2024
<https://www.youtube.com/watch?v=3m1cRF5g6MA>

Also the nonsense VOFF encountered could be explained years later in July 2024 in Senator Gerard Rennick's speech in Parliament, "Superannuation is communism – Senate".

<https://www.youtube.com/watch?v=EpginGWtuU0>

VOFF alleged to AFCA that ASIC Chairman Mr Greg Medcraft and the Minister of Superannuation Mr Bill Shorten collaborated to mislead the public about the Trio Capital fraud. They spent more effort going after financial adviser Mr Ross Tarrant while ignoring the criminals behind the Trio crime. Mr Medcraft and Mr Shorten interfered with a financial crime, disseminated misinformation and misled the public about the fraud. Out of sight of the public was Mr Shorten's alleged corrupt conduct - see, [Open Letter to Minister for Financial Services Stephen Jones](#). For example, evidence of his bias handling of Trio to benefit the union-led industry super funds was sent to the National Anti-Corruption Commission. However, the NACC found no corruption [[letter from NACC dated 19 Aug 2024](#)].

Self managed super fund trustees and their financial advisers, like Mr Tarrant, knew in late 90s that Labor benefited from siphoning superannuation money. SMSF trustees also knew that banking superannuation schemes placed clients in the banks' own products where the banks gouged big profits while clients received tiny returns. The Banking Royal Commission highlighted such conduct but such insight does not appear to be shared by AFCA. Did the free choice of SMSFs pose a threat to the Labor Party's rivers of gold? VOFF perceive this prompted Mr Shorten to bombard discrediting remarks at the SMSFs for investing in the Trio Managed Investment Scheme. Only SMSFs copped misleading characterizations and slurs although they were in exactly the same product as the union-led industry funds. AFCA should be at least aware of the dirty politics that is being played out in Australia with other people's money. It beggars belief the NACC couldn't (wouldn't) find corrupt conduct in the way a crime was politicized so one group benefited by harming another group.

AFCA and the current Compensation Scheme of Last Resort (CSLR) fail to see or acknowledge regulatory failure, captured regulators, or the weaknesses in the financial system. Such issues can be found in the Trio fraud matter. However, VOFF perceive AFCA as part of the cleverly engineered process that blames all losses in the financial sector on 'poor advice'. Losses due to manufacturers, custodians, trustees and ASIC are dismissed even though history of the last 40 years shows MISs were the greatest cause of consumers losses. AFCA needs more than transparency to fix the rigged CSLR.

If AFCA did not have the remit to look at and make determinations about regulatory failure, captured regulators, or the weaknesses in the financial system, then it should have informed the people, who in-turn could have lobbied for wider powers for AFCA. If AFCA had acknowledged VOFF's allegations of ASIC's corrupt behaviour, maybe the Sterling Income Trust scandal could have been discovered sooner. Maybe the Senate Inquiry into ASIC's capacity and capability to respond to reports of alleged misconduct would have been unnecessary. And maybe there would be less unanswered questions about the circumstances that led to the collapse of Dixon Advisory, and the impact on the CSLR. Isn't it problematic that the Dixon Managed Investment Scheme (MIS) victims (which include Treasury Bureaucrats) will be compensated? Considering all other Australians, that discover their savings were misappropriated from a MIS, get refused compensation.

ASIC urges former Dixon clients to lodge with ombudsman complaints

Carrie LaFrenz and
Jonathan Shapiro

Aug 3, 2022 - 3.36pm

The corporate regulator has urged former Dixon Advisory clients to lodge complaints with the financial services ombudsman as soon as possible if they believe they have suffered losses because of allegedly conflicted advice by the wealth manager.

Carrie LaFrenz is a senior journalist covering retail/consumer goods. She previously covered healthcare/biotech. Carrie has won multiple awards for her journalism including financial journalist of the year from The National Press Club. Connect with Carrie on [Twitter](#). Email Carrie at carrie.lafrenz@afrc.com

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The founders of Evans Dixon, Alan Dixon (L) and David Evans. Mr Dixon is no longer involved with the company while Mr Evans is chairman. **Eddie Jim**

FINANCIAL REVIEW

The [Australian Citizens Party Media Release dated 15 August 2024](#). The Citizens Party notes, 'The Compensation Scheme of Last Resort (CSLR) was designed not to compensate the hundreds of thousands of financial victims of collapsed managed investment schemes (MIS) since 2008. However according to Peter Johnston, Executive Director of The Association of Independently Owned Financial Professionals (AIOFP) "several Canberra-based residents and Federal Government Bureaucrats" compensated themselves over the Dixon Advisory collapse. Mr Johnston referred the "stench of corruption" to the National Anti-Corruption Commission (NACC).'

The 2017 Supplementary Final Report of the Review of the financial system's external dispute resolution and complaints framework (Ramsay Review) recommended establishing the CSLR, also the February 2019 Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Hayne Royal Commission) supported the compensation of MIS dating back to 2008. Then Josh Frydenberg trashed Hayne's recommendations before he departed politics for a job in banking. Is the Australian Government captured by the banking industry? Is AFCA captured by the same industry? Can AFCA improve transparency but keep secret that it doesn't serve the interests of the people in its complaint handling processes?

John Telford
Secretary
Victims of Financial Fraud