

15 February 2019

[personal information]

By email: [personal information]

Dear [personal information]

Re: Request for financial adviser example cases

Your request for information

1. We refer to your request on 22 January 2019 for the following information from the Financial Markets Authority (**FMA**):

“Any FMA example cases, where the client invested funds with an adviser. The adviser then had a specific bias and the investment was done according to the bias. The adviser did an investment policy statement in which he confirmed that it was “the client’s request”, however the client does not have an understanding of the portfolio and the AFA is supposedly the expert... Later the client would lay a complaint against the adviser because his/her portfolio was under performing... could you also perhaps refer me to any specific parts of the act, where that would be outlined?”

2. Please find below our response to your request, and further information that may be of assistance to you.

Example cases

3. The FMA does not have example case resources looking at specific types of conduct of financial advisers as such. However, the Financial Advisers Disciplinary Committee (**FADC**), an independent body established pursuant to section 103 of the [Financial Advisers Act 2008](#) (the **FA Act**), conducts disciplinary proceedings arising from complaints about Authorised Financial Advisers (**AFA**s) relating to breaches of the Code of Professional Conduct for AFAs (the **Code**) which are referred by the FMA.
4. Decisions of the FADC are available on its website [here](#). This includes decisions relating to Code Standard 6 (an AFA must behave professionally in all dealings with a client, and communicate clearly, concisely and effectively), and Code Standard 8 (when providing a financial adviser service to a retail client, an AFA must agree with the client the nature and scope of the service to be provided).
5. A copy of the Code is available on our website [here](#). Section 37 of the FA Act requires AFAs to comply with the Code. However, not all financial advisers are AFAs.

Further information

6. If you are not happy with your financial adviser's service, you can contact their independent dispute resolution scheme (**DRS**). More information is available on our website [here](#), and details of a financial adviser's DRS are available on their disclosure documents or the [Financial Service Providers Register](#).
7. The FMA monitors complaints about the behaviour of financial advisers but we don't deal with individual disputes. More information is available on our [complaints page](#) about what complaints can be made to the FMA, and how to make a complaint.
8. You have the right, under sections 28 and 35(1) of the OIA, to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Yours sincerely

[personal information]

Manager, Policy and Governance

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