

Banking

ASIC regulates banks and financial service providers, sets and enforces banking standards and investigates and acts against misconduct in the banking sector. Find out how ASIC regulates financial services and what you can do to resolve any problems with your bank or bank account.

- [How ASIC regulates financial services](#)
- [How the ePayments Code protects you](#)
- [Problems with your bank or bank accounts](#)
- [Banking codes of conduct](#)

How ASIC regulates financial services

ASIC requires all financial services providers, including banks, to be licensed and meet their licence conditions.

We work to ensure that financial services providers:

- act professionally, treat you fairly and prioritise your best interests
- provide you with financial products that meet your needs
- meet their responsible lending obligations
- provide proper disclosure (information about products and services and any associated costs and conditions).

Note: On 25 September 2020, the Government announced proposed reforms to the responsible lending obligations contained in Chapter 3 of the National Consumer Credit Protection Act 2009. The proposed reforms will amend the obligations that apply before entry into a credit product or the provision of credit assistance. ASIC's guidance relating to the current responsible lending obligations will be reviewed and updated when the proposed reforms are finalised.

ASIC's role is also to:

- set and enforce standards for dispute resolution (we require all financial service providers to be members of the [Australian Financial Complaints Authority](#) so that everyone has access to this impartial and independent organisation to resolve their complaints)
- take action against financial services providers who are misleading or deceptive or who fail to meet regulatory requirements, and
- work closely with other government agencies that form part of Australia's regulatory regime such as the [Australian Prudential Regulation Authority](#), the [Australian Taxation Office](#), the [Reserve Bank](#) and the [Australian Competition and Consumer Commission](#).

Find out [how ASIC regulates lenders and credit card providers](#).

How the ePayments Code protects you

Users of electronic payment facilities in Australia are protected by the ePayments Code. ASIC is responsible for monitoring compliance with the Code. The Code regulates consumer electronic payments, including ATM, EFTPOS and credit card transactions, online payments, internet and mobile banking, and BPAY.

Almost all banks, credit unions and building societies in Australia – as well as consumer electronic payment facilities, such as PayPal – subscribe to the ePayments Code.

The Code:

- requires [subscribers](#) to give people clear terms and conditions
- outlines how changes to terms and conditions (such as fee increases) need to be made, and how receipts and statements need to be given, and
- sets the rules on who pays for unauthorised transactions and how mistaken internet payments are recovered.

Find out more about the [ePayments Code](#).

Errors on your account and mistaken payments

If you notice errors on your credit card or bank account statement that look like transactions you did not make, or if you have mistakenly transferred money to the wrong person, the ePayments Code sets out whether you are entitled to a refund.

Find out [when you can get your money back](#) using the ePayments Code.

Switching bank accounts

The ePayments Code also places obligations on its subscribers to help existing and new customers when they switch their accounts between financial institutions.

Your current bank can help you by providing you with a list of your direct debits, credit arrangements and periodical payments for the past 13 months. Your new financial institution can help you to notify organisations with which you have arrangements for direct debits, credit and periodical payments to assist your move.

Find out more about [bank accounts](#).

Problems with your bank or bank accounts

There are three steps to take to resolve issues with your bank or financial institution:

1. Contact the bank - Explain the issue to them by phone, in person, or in writing.
2. Make a formal complaint - If you are not happy with their response or if the problem can't be resolved, ask the bank for their complaints handling procedure or find it on their website. Put your complaint in writing using Moneysmart's [tips on what to include in your letter](#).
3. Complain to AFCA - If you don't receive a response in a reasonable time or you're unhappy with the response, you can make a complaint to the [Australian Financial Complaints Authority](#).

Help for Indigenous consumers

For help with making your complaint, you can contact [ASIC's Indigenous Help Line](#) on 1300 365 957.

Banking codes of conduct

To progress your complaint, you could refer to the banking codes of conduct that have been developed by industry. A code of conduct (or code of practice) is a set of enforceable rules setting out an industry's commitments to deliver a certain standard of practice.

Codes of conduct are intended to raise industry standards, complement legislative requirements (and in some cases go beyond the legislative requirements) and encourage consumer confidence.

Find more details on the banking codes of conduct:

- [Code of Banking Practice](#): developed by the Australian Banking Association
- [Customer Owned Banking Code of Practice](#): developed by the Customer Owned Banking Association

If you believe that a bank has breached one of these codes, you can report your concerns to the [Australian Financial Complaints Authority](#).

Related links

- [Managing debt](#)
- [Find a financial counsellor](#)

- Banking and credit scams

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Investing and financial advice

Find out how ASIC regulates financial services, how to search our financial advisers register and resolve any problems you might have with your investments or your adviser.

- [How ASIC regulates financial products and services](#)
- [Choosing investments and getting financial advice](#)
- [Checking an investment offer](#)
- [Got a problem with financial advice or investments?](#)

How ASIC regulates financial products and services

ASIC regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments.

As the financial services regulator, we license and monitor financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed investment schemes, shares and company securities, derivatives and insurance.

As the markets regulator, we assess how effectively authorised financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. We also supervise trading on Australia's domestic licensed equity, derivatives and futures markets.

We investigate suspected breaches of the law, issue infringement notices, ban people from providing financial services, seek civil penalties from the courts, and undertake prosecutions.

Choosing investments and getting financial advice

ASIC regulates investment providers, advisers and products, and through our Moneysmart website, provides guidance on [choosing a financial adviser](#) and [what to expect when you work with a financial adviser](#).

You can also search the [financial advisers register](#) to find out where an adviser has worked, their qualifications, training, memberships of professional bodies and what products they can advise on.

Checking an investment offer

Any company that provides investments must hold an Australian financial services (AFS) licence. This licence controls the kinds of investments and credit products they can offer and whether they can operate legally in Australia. ASIC issues AFS licences, after assessing each application, and may cancel an AFS licence if the licence-holder fails to meet prescribed standards. Check ASIC Connect's [Professional Registers](#) to find out if the company holds an AFS licence.

Warnings and investment scams

You can also check our list of [companies you should not deal with](#) that have contacted Australians with unsolicited offers of unlicensed investments. If a company contacts you from this list, do not deal with them.

ASIC also issues [warnings to the public](#) about websites or investment products that make false, misleading or deceptive statements about financial services. These warnings are issued after ASIC receives complaints from investors.

Managed investment schemes

Managed investment schemes with more than 20 members must be registered with ASIC. You can check [ASIC Connect's 'organisation and business names search'](#) to see if the scheme is registered.

All listed managed investment schemes must lodge a product disclosure statement (PDS) with ASIC. You can check they have done so on ASIC's [OFFERlist](#) database.



Explore our public Beta site

The ASIC Professional Registers Search (Beta) is now available. Your feedback will help us make improvements before we move on to the next stage. Try it now.

[Search the ASIC Professional Registers Search \(Beta\)](#)

Check a PDS or prospectus

If the company you want to invest with provides a product disclosure statement (PDS) or prospectus, read these documents to make an informed decision about the investment. You can check whether the PDS or prospectus has been lodged with ASIC on our [OFFERlist](#) database.

Got a problem with your financial adviser or investments?

ASIC does not settle disputes about financial services or advice, but if there is evidence that a financial services provider has acted illegally we may consider taking action. Find out [how to report misconduct to ASIC](#).

ASIC's Moneysmart website explains what to do if you have concerns about the financial advice you have been given, how to complain about a financial adviser and what to do if ASIC has banned your financial adviser. See [problems with a financial adviser](#) for more details.

Our Moneysmart website also has some helpful tips on how to [keep track of your investments](#).

Related links

- [How do ETFs work?](#)
- [Cryptocurrencies and ICOs](#)
- [Shares](#)
- [Property investment](#)
- [Self-managed super funds](#)

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Loans and credit cards

ASIC licenses and regulates banks, credit unions and brokers to ensure they do not give credit you cannot pay back. ASIC also takes action against financial service providers who mislead, are deceptive or demonstrate unconscionable conduct (conduct so harsh it goes against good conscience).

Here we explain the rules around consumer credit and how they affect you as a consumer.

- [What to check before you borrow money or sign a contract](#)
- [When lenders can give you credit](#)
- [Credit cards](#)
- [Reverse mortgages](#)
- [Loans](#)
- [Problems with your credit provider](#)

What to check before you borrow money or sign a contract

All lenders, lessors and finance brokers must be licensed by ASIC or be a representative of someone who is licensed. Search ASIC Connect's [Professional Registers](#) to check your credit provider is licensed before you deal with them.

Some businesses that are exempt from licensing, such as retail stores and car yards. While the store may be exempt, the actual credit provider must be licensed. If you are unsure who the provider is, check your credit contract or rental agreement.

Read the credit guide

Any company engaging in credit activities must give you a credit guide and credit proposal disclosure document which will tell you:

- their Australian credit licence number
- contact details
- fees and charges
- details of your right to complain or their external dispute resolution scheme.

They must also give you a quote for providing credit assistance unless:

- they have already entered into a written contract with you that sets out the maximum amount you will pay for their services; or
- they are providing services free of charge.

When lenders can give you credit

Credit providers must not enter into a contract with you that is unsuitable, such as a loan you can't repay without suffering hardship or a contract that doesn't meet your requirements and objectives.

By law the credit provider must also:

- make reasonable inquiries about your financial situation, requirements and objectives
- take reasonable steps to verify your financial situation.

Find out why you could be [rejected for a loan](#) and what you can do to improve your next loan application.

Credit cards

From 1 January 2019, when you apply for a credit card or a credit limit increase, lenders must assess your request based on your ability to repay the credit limit within three years.

Credit card providers are also not allowed to backdate interest on a balance that has had an interest-free period.

Credit card key facts sheet

When you apply for a credit card you should read the 'key facts sheet' that the lender must give you. This sets out the:

- minimum repayment (or how it will be calculated)
- interest rate that applies to purchases and cash advances
- interest rate that applies to balance transfers (and for how long)
- promotional interest rate (if any)
- length of the interest-free period (if any)
- annual and late payment fees (if any).

Minimum monthly repayments on credit cards

Your monthly credit card statement must tell you how long it would take to pay off your entire balance by making minimum monthly repayments. If you only make the minimum repayment each month, you will pay more interest and it will take you longer to pay off the balance. Use the [credit card calculator](#) on ASIC's Moneysmart website to work out how to pay your card off faster.

Credit card limits

You can ask your credit card provider to increase your credit limit at any time, but they cannot contact you in any way to offer to increase your credit limit – even if you previously opted to receive these offers. This applies to both new and existing credit cards.

If you opened your credit card account on or after 1 July 2012, card issuers must not charge you a fee when your card goes above the credit limit, without first getting your agreement. You can withdraw your consent to this at any time.

If you opt out of these over-limit arrangements, the card issuer can still allow you to temporarily exceed your limit but must not charge you a fee for doing so.

If you get a credit card after 1 January 2019, your credit card provider must also give you the option to cancel your card or reduce your credit limit online.

Reverse mortgages

All reverse mortgages providers must guarantee that at the end of the reverse mortgage you will not have to pay back more than the value of your home. This is called the 'no negative equity guarantee'.

Read the reverse mortgage information statement

When a lender offers you a reverse mortgage they must give you a 'reverse mortgage information statement', which contains:

- details about how a reverse mortgage works
- information on how costs are calculated
- what to consider before taking out a reverse mortgage
- useful contacts for more information.

Reverse mortgage projections

Your credit provider or credit assistance provider must give you projections about any proposed reverse mortgage – in person – before you take out a reverse mortgage. These projections must be created using the [reverse mortgage calculator](#) on ASIC's Moneysmart website.

These projections will show the effect a reverse mortgage may have on the equity in your home over time and show the potential impact of interest rates and house price movements. You must be given a printed copy of these projections.

See [reverse mortgage and home equity release](#) for more details.

Loans

Loans of \$2,000 or less

Lenders have been banned from offering loans of \$2,000 or less that must be repaid in 15 days or less.

The fees charged on small amount loans of \$2,000 or less that are to be repaid between 16 days and 1 year are capped. Credit providers can only charge you:

- a one-off establishment fee (of not more than 20% of the loan amount)
- a monthly account keeping fee (of not more than 4% of the loan amount)
- a government fee or charge
- default fees or charges (the credit provider cannot collect more than 200% of the amount loaned if you miss a payment or fail to pay back the loan)
- enforcement expenses (if you default, these are the costs incurred by the credit provider going to court to recover the money you owe under your credit contract).

This cap on fees and ban on short-term loans does not apply to loans offered by Authorised Deposit-taking Institutions (ADIs) such as banks, building societies and credit unions, or to continuing credit contracts such as credit cards.

Find out more about [payday loans](#).

Loans of \$2,001 to \$5,000

For loans of \$2,001 and \$5,000 to be repaid between 16 days and 2 years you can only be charged:

- a one-off fee of \$400
- a maximum annual interest rate of 48%, including all other fees and charges.

See [personal loans](#) and [car loans](#) for more details.

Loans of more than \$5,000

The law does not allow the total amount of fees and charges on loans to exceed 48%. This rule applies to loans of more than \$5,000, loans with terms of more than 2 years; and all continuing credit contracts (such as credit cards).

ADIs such as banks, building societies and credit unions are exempt from these fee caps.

Problems with your credit provider

If you are having problems dealing with your credit provider see [how to complain](#) for advice on what to do.

If your credit provider breaks any of the above rules you can [report this to ASIC](#).

Related links

- [What to do if you have debt problems](#)
- [Debt consolidation and refinancing](#)
- [What does a credit score mean?](#)
- [Buy now pay later](#)
- [What debt collectors can and can't do](#)
- [Hardship threshold](#)

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Superannuation

ASIC's role in superannuation

ASIC is responsible for investor and consumer protection in financial services, including super and investments.

ASIC is focused on the behaviour of trustees of superannuation funds impacting consumers. ASIC may take action against trustees of superannuation funds in cases of serious misconduct or where trustees fail to meet their key obligations. ASIC wants to see superannuation funds operate in a way that is fair to members and promotes confidence in the superannuation system.

Read more about [ASIC's role in super](#).

Look out for super scams

Watch out for emails or calls requesting your personal or account details.

Some of them even pretend to be from ASIC.

ASIC resources

See ASIC's [super funds](#) page for information about super, including media releases and reports.

For a list of other useful links about super, see ASIC's [further resources on super](#) page.

Moneysmart

ASIC's [Moneysmart](#) website is a starting point for consumers and investors to make informed financial decisions. It provides free, independent guidance and [superannuation and retirement calculators](#) for consumers.

We are always looking to improve our superannuation information and would like to know what's important to you. Please leave us some [feedback](#).

Note: This address is not for general enquiries about our services or advice. We suggest [asking us a question online](#) instead.

YourSuper comparison tool

The [YourSuper comparison tool](#) is a simple way to compare MySuper products and help you choose a super fund that meets your needs. It is hosted by the Australian Taxation Office (ATO).

Self-managed super funds (SMSFs)

If you set up a SMSF, you are responsible for running the fund according to its trust deed and the superannuation laws, even if you get help from a professional or another member of the SMSF.

SMSFs are regulated by the [Australian Taxation Office](#). ASIC's role is regulating the 'gatekeepers' for SMSFs, such as accountants and auditors.

An SMSF auditor must be registered with ASIC as an 'approved SMSF auditor' before they can sign off on SMSF audit reports. You can search our [SMSF auditor register](#) to check whether an SMSF auditor is registered.

All accountants who provide advice on SMSFs must hold an Australian Financial Services (AFS) licence.

You can check to see whether a person or business has an AFS licence or is an authorised representative by searching our [professional registers](#).

Complaints

If you have a complaint about a super fund, complain directly to the fund first. This gives the fund an opportunity to resolve your complaint.

If you are unhappy with your fund's response, you can complain to the [Australian Financial Complaints Authority \(AFCA\)](#).

For information see:

- [How to complain](#) on ASIC's Moneysmart page
- [Disputes with financial firms \(INFO 174\)](#)
- [Disputes about life insurance \(INFO 218\)](#)

Concerns

Illegal offers to withdraw your super early

You cannot withdraw your super early unless you meet a condition of release.

If you have been offered to withdraw your super early or believe someone is promoting an illegal super scheme, contact the [Australian Taxation Office \(ATO\)](#).

The ATO can help you identify illegal schemes. See the ATO's [Illegal early release of super page](#) for more information.

Financial soundness

If you have concerns about the financial soundness of a super fund, contact the [Australian Prudential Regulation Authority \(APRA\)](#).

Concerns about financial service providers and products

If you have concerns about a financial services provider or product, you can [lodge a complaint with ASIC](#).

Reporting misconduct to ASIC

ASIC receives reports from the public who believe someone has not complied with laws ASIC oversees.

This includes the conduct and disclosure obligations of superannuation trustees (but not SMSF trustees).

For more information see [reporting misconduct to ASIC](#).

Licensing

ASIC also licenses and monitors people to ensure they operate efficiently, honestly and fairly. Financial services providers, including superannuation trustees, must be licensed or authorised and meet conduct and disclosure obligations under the law.

From 1 July 2021, all superannuation trustees who are registrable superannuation entity (RSE) licensees regulated by APRA, will also be required to hold an Australian financial services licence to operate their fund(s).

You can check to see whether a person or business has an Australian financial services (AFS) licence or is an authorised representative by searching our [professional registers](#).

You can also search the [financial advisers register](#) to find out where an adviser has worked, their qualifications, training, memberships of professional bodies and what products they can advise on.

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