

### What FOS does

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The Financial Ombudsman Service is an independent, non-profit organisation that resolves disputes between consumers and financial services providers. We pride ourselves on handling disputes fairly and efficiently. We do not take sides – we are the umpire. Our service is free to consumers and you don't need a lawyer to represent you.

The types of disputes we can handle fall into several categories:

- Banking and credit
- Financial planning
- General insurance
- Insurance broking
- Investments
- Life insurance
- Loans
- Managed funds
- Mortgage and finance broking
- Pooled superannuation trusts
- Stockbroking
- Timeshares
- Estate planning and management
- Trustee services.

We can only consider complaints consumers have with businesses that are members of FOS. There is a full list of our members on our website at [www.fos.org.au/members](http://www.fos.org.au/members). You can also call us on 1300 78 08 08 to find out whether a business is a member of FOS.

### When to contact FOS

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If you have a concern or complaint about a financial product or service, the first thing to do is raise the matter with the business that sold it to you. Many problems boil down to a simple misunderstanding or error that can be quickly sorted out. If you and the business can't resolve the problem, then FOS can help.

### How FOS resolves disputes

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We first give the consumer and the business a chance to work together to resolve their problem. If this fails, we will use conciliation or negotiation or make an initial assessment of the dispute. If these methods don't resolve the dispute, FOS will investigate the case further and make a formal decision about the dispute.

For detailed information about how we resolve disputes, or to lodge a dispute, please visit our website at [www.fos.org.au](http://www.fos.org.au) or call us on 1300 78 08 08.

### **Ask lots of questions and read the fine print**

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Knowledge is security. When you are shopping for a financial product or service, the more options you are aware of and the more you know about each option, the more confident and secure you will feel in the decision you ultimately make.

#### **Investments**

It is crucial to understand the risks of investing in different products. If you are using a financial advisor, make sure that they fully understand your financial circumstances and objectives and that they explain the products to you in terms you understand.

#### **Credit**

Some credit products marketed to seniors, such as equity release products – which allow a person to use the equity in their home to help fund their retirement – are quite complex. If used inappropriately, they can have unexpected results. Find out as much as you can before purchasing a major credit product and seek further advice if you are confused.

#### **Insurance**

Before signing an insurance contract (and periodically after signing one), read all the documents so you know exactly what the policy covers. You also need to answer the insurer's questions fully. If you don't disclose some relevant information, the insurer may later be entitled to refuse to pay a claim or to cancel a policy.

#### **Accounts**

When you have electronic access to your accounts, be careful to safeguard the security of your PINs and passwords and do not disclose them to other people. Never provide information about PINs or passwords in response to emails requesting such information. Be aware that you may become liable for unauthorised transactions if you allow a carer or similar helper to use your card and PIN; if you are unable to use a card at an ATM or EFTPOS terminal, make alternative arrangements to access cash rather than jeopardise your PIN or password security.

## Investments – common problems

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Many of the investment disputes that FOS handles are about the investment advice or information an investor was given by a financial services provider. Here are some tips for investors to avoid the common problems:

- Always use a licensed financial services provider. You can check if a business is licensed on ASIC's Australian financial services licensee register: [www2.search.asic.gov.au/fsr/flb.html](http://www2.search.asic.gov.au/fsr/flb.html).
- Make sure there is clear agreement about the scope of the financial services that are to be provided.
- Don't agree to a strategy or an investment you don't understand – ask lots of questions.

## Useful resources

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**MoneySmart:** [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

MoneySmart is the consumer website of the Australian Securities and Investments Commission (ASIC). It contains extensive information and advice about specific financial products and services and about how to manage your money.

**National Information Centre on Retirement Investments:** [www.nicri.org.au](http://www.nicri.org.au)

NICRI is an independent organisation that helps seniors with modest savings to understand their investment options and plan for their retirement.

**Choice:** [www.choice.com.au](http://www.choice.com.au)

Choice is a national consumer advocacy organisation. Its website includes reviews of and advice about many kinds of financial products and services.

**Alliance for the Prevention of Elder Abuse:** [www.apea.org.au](http://www.apea.org.au)

The APEA website includes a set of brochures about financial elder abuse – the misuse of a senior's money or property by a relative, friend or other acquaintance.