



Hostplus receives Infringement Notice penalty

In May 2019 Hostplus paid an Infringement Notice penalty of \$12,600, issued by ASIC, in relation to an alleged misleading claim relating to Hostplus stating that it offered 'independent advice' to Hostplus members in relation to personal advice.

From at least July 2016 to late March 2018 Hostplus had a recorded on-hold telephone message which referred to a free and "independent" advice consultation available to members with an Industry Fund Services Limited (IFS) licensed financial planner. In 2017 Hostplus insourced its financial planners, although they remained Authorised Representatives of IFS under its AFSL.

ASIC was concerned that Hostplus and IFS were not independent of each other because Hostplus, along with a number of other industry funds, is a part owner of IFS. Further, Hostplus' employees were licensed by IFS and Hostplus paid service fees to IFS for adviser services.

The payment of the Infringement Notice is not an admission of a contravention of the Corporations Act, however in response to ASIC's concerns, Hostplus immediately removed the use of the word 'independent' from the recorded telephone message and elected not to contest the administrative penalty.

Payment of penalties and fines

In the ordinary course of operations Hostplus may be required to pay a fine or penalty. To fulfill its payment obligation, the Trustee can elect to pay the fine or penalty from either the Administration Reserve or the Operational Risk Financial Requirement reserve. The penalties and fines paid from Fund reserves at 30 June for the last five years has been:

Reserves			
Year	Admin reserve (\$'000)	ORFR reserve (\$'000)	Total penalties or fined (\$'000)
2019	13	-	13
2018	-	-	-
2017	-	-	-
2016	-	-	-
2015	-	-	-