

AMP enters into enforceable undertaking with APRA

AMP has today confirmed its superannuation trustees have entered into an enforceable undertaking (EU) with the Australian Prudential Regulation Authority (APRA) in relation to a number of historical matters in its superannuation business.

The Trustees – AMP Superannuation Limited and N.M. Superannuation Proprietary Limited – have acknowledged APRA’s concerns in relation to the matters, each of which were reported by AMP. At the completion of this EU, AMP envisages that all outstanding matters referred to APRA by the Financial Services Royal Commission will be concluded.

APRA has acknowledged that AMP has addressed and completed remediation for several of the matters. One further matter is currently in the process of being remediated and AMP has agreed to revisit its remediation approach in relation to another matter. AMP will ensure affected members will be appropriately compensated. AMP expects that its rectification and remediation cost pertaining to this EU will be in the range of A\$40 million to A\$45 million.

Since 2018, AMP and its superannuation trustees have taken significant and decisive action to strengthen oversight and accountability, as well as improve compliance and risk management. The Trustee Boards have been completely renewed since the Royal Commission with eight new independent non-executive directors, including the Chair. AMP has also simplified its operations, products and investment options to reduce complexity and drive better member outcomes. The Trustee Boards are committed to continuing to act in the best financial interests of members.

AMP Chief Executive, Alexis George commented:

“AMP has changed substantially over the past few years and is focussed on operating to the highest standards, as rightly expected by our customers.

“While these matters are historical and AMP has either completed remediation or is in the process of remediating, we continue to transform our superannuation business to prevent recurrence and ensure we’re delivering on our promises to customers.

“There have been times in the past that we have not got this right and for this we apologise. We support our Trustee in offering this EU to APRA to address the regulator’s concerns on these historical matters.

“We are making strong progress in rebuilding AMP for our customers, people and the community, including through the actions we’ve taken to address these matters and our continued simplification. We still have work to do but are very committed to making further changes to deliver on our commitments.

“APRA has acknowledged the work AMP’s superannuation trustees have undertaken so far to improve governance, systems, controls and processes. We will continue to engage constructively with APRA and the requirements of the undertaking to expedite these matters to a conclusion.”

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Authorised for release by the Market Disclosure Committee.