



ASX Announcement

Tuesday, 17 December 2019

ASIC proceedings in relation to ongoing fee arrangements

National Australia Bank today provided the following response to civil legal action taken by ASIC in the Federal Court in relation to alleged breaches concerning ongoing fee arrangements with clients of NAB Financial Planning (**NAB FP**).

Chief Legal & Commercial Counsel Sharon Cook said: "We take this action seriously and will now carefully assess the allegations. We will continue to work co-operatively and constructively with ASIC to deal with this issue.

"We have already acknowledged failures where customers have paid fees for services they didn't receive and have paid \$37.8 million to 27,500 NAB FP clients. Remediation began in December 2018 and is expected to be completed by June 2020.

"From February 2019 NAB FP began switching off fees for all clients with ongoing fee arrangements and determined to refund all ongoing fees paid by clients after 31 May 2018 until the client entered into a new advice arrangement. From 1 April 2019, NAB began transitioning clients to 12-month advice contracts and ceased entering into any new ongoing fee arrangements.

"NAB Financial Planning has made changes to systems and controls and will continue to improve so we can service our clients better," Ms Cook said.

These changes include:

- Improved guidance and training to employees in relation to ongoing service arrangements and fee disclosure statement requirements
- Centralisation of the production of fee disclosure statements to enable enhanced monitoring and supervision of compliance with fee disclosure statements requirements

Sharon Cook
Chief Legal & Commercial Counsel

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