

Ombudsman Term Must be Protected

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AFCCRA, the peak body for financial counsellors, calls on industry and government to stop misusing the term Ombudsman.

“Consumers will lose faith in legitimate Ombudsman schemes, if anyone is able to hang out a shingle saying they are an ombudsman”, said Fiona Guthrie, Executive Director of AFCCRA.

“The Australian Government should legislate to protect the term Ombudsman as has occurred in New Zealand”, she said.

Legitimate Ombudsmen, such as the Financial Ombudsman Service and the various energy Ombudsmen, exist to resolve disputes. They are completely independent. They do not take on other roles, such as regulation, that may compromise this function.

Examples of the inappropriate use of the term include the Government’s “Fair Work Ombudsman” – which has disciplinary and prosecutorial powers and the proposed national “Legal Services Ombudsman”, which will also have a role in regulating the legal profession.

Financial counsellors frequently refer clients to Ombudsman offices for assistance in resolving disputes with banks, credit unions and electricity and water companies. We have the utmost confidence in these schemes as they are independent.

In the absence of legislation, AFCCRA supports the policy statement released by the peak body for Ombudsmen – the Australian and New Zealand Ombudsman Association – that sets out six criteria for the use of the term Ombudsman.

About Financial Counselling

Financial counsellors assist consumers in financial difficulty. They provide information, support and advocacy to help consumers get back on top of their financial situation.

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