

# Financial services consumers need help now – FP subsidy a solution worth considering

Sequoia Financial Group Ltd (Sequoia) Managing Director Garry Crole has identified an urgent need for consumers to receive financial advice relating to the COVID 19 support packages and calls on the Federal Government to assist the financial planning needs of Australian consumers impacted by the Corona Virus.

While most attention has understandably been focussed on the wide ranging and enormously significant support packages announced by State and Federal Governments in recent weeks, there has been less focus on implementation, and particularly the assistance that consumers will need in light of the significant confusion surrounding how and who qualifies and whether it is appropriate to access the sweeping and urgent packages announced.

Sequoia is advocating for urgent action from Government to address the challenges consumers face in accessing affordable financial advice.

Garry Crole said, “Never have we seen so many once financially viable businesses close their doors, so many people lose their jobs or lose a substantial percentage of their income. While the government has announced some tremendous initiatives, which can assist many through this period, a lack of understanding on where to go or how to access these benefits compounds the stressful scenario faced by many.

Investors are also currently panicked by the fluctuations in the share market and are making decisions about their investments and insurances with no understanding of longer-term implications.

A good example is the early superannuation release package. Affected consumers need appropriate advice about the long-term consequences for their retirement and we have already seen ASIC raising concerns about unqualified people providing advice in this area.

Sequoia is calling for a Subsidy for consumers who are adversely affected by the crisis and do not have an existing financial planner. The proposed benefit would be limited to super fund members with account balances under \$200,000 or those aged above 50 facing a significant change in circumstances. Unfortunately, because of the cost of financial advice, many ordinary Australians and Small Businesses feel they have no choice but to avoid or postpone accessing the services of a financial planner in what are often quite complicated personal situations.

Ideally all affected consumers would be able to access financial planning advice. The financial planner would coach consumers in the current volatile environment via personalised investment and insurance parameters suitable to their individual circumstances and guide them through the complicated decision-making process around the various support packages available.

Garry Crole concluded, “Never in our nation’s history has there been a situation where the need for professional financial advice is so crucial yet simultaneously inaccessible for some of the most vulnerable.

If the Federal Government and the planning industry could work together on this problem, I expect that planners would also commit to lower entry fees for financial advice so that all Australians could have the benefit of professional financial advice. I believe a subsidy, in the form of a rebate, would support Australians in need of advice and increase the effectiveness of the various support packages, which is for the benefit of all Australians.”

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Issued by Sequoia Financial Group Ltd      [www.sequoia.com.au](http://www.sequoia.com.au)

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