

# Grow @ Marinis Group

---

**From:** grow@marinigroup.com.au  
**Sent:** Friday, 15 March 2019 9:12 AM  
**To:** Alex Wiedenmann | Marinis Group  
**Subject:** I want the Government to hurry up

Dear Friends,

## I want the Government to hurry up

To say that I felt disappointment, dismay, and even disgust in the wake of the findings of the Hayne Royal Commission is probably an understatement on my part. I believe that the Federal Government must hurry up and adopt the changes recommended – if we are to excise the ‘rot’ from the financial services industry as quickly as possible.

Specifically, I refer to one particularly rotten area; this relates to the practice of mandating commissions.

Many older style policies, including about 4% of our client’s investment and around 6% of our client’s insurance portfolios (inherited when we acquired the two precursor businesses to Marinis Financial Group or taken on as clients with those existing arrangements) have no systems functionality to turn off ‘built-in’ commission payments. In other words, where such insurance contracts are concerned, an adviser ‘does not have the option not to receive commission’ – a ludicrous situation in this current environment.

To be clear, in line with our policy of complete transparency, MFG has adopted a strictly ‘nil commission’ basis in respect of any insurance product we arrange on behalf of clients engaged since our previous business acquisitions.

With respect of those earlier portfolios for which we acquired the ‘servicing rights’ and resulting commission payments for the client, we have whenever possible, arranged to have these existing commissions turned off. Where it is has not been possible to switch off these commissions, we have reduced our Flat Dollar Client Service Model fees to ensure our business model is NOT conflicted.

We would like nothing better than to turn off the commission on the small remainder of our commission paying clients, for the simplicity and transparency which is our mantra. Unfortunately, this can’t always be achieved without harming the clients’ interests (i.e. with no resulting fee saving to the client) nor is it possible at all until the Government fixes this issue, as per the recent Hayne Royal Commission recommendations.

Very recently, a particularly galling example of the conflicts associated with commissions was highlighted, when I discovered that a newly referred client (suffering from a serious illness, and no longer wishing to deal with his previous adviser) has an insurance policy with a built-in GUARANTEED commission.

‘Guaranteed’ in this case means to guarantee the continued commission payment to the original adviser (with whom the client no longer wishes to have a service arrangement) who now receives a payment for no service!

To make matters worse, when the client has asked his previous ‘adviser’ to agree in writing to transfer his ‘right’ to the commissions on the life insurance policies (so that MFG as the newly appointed adviser, could rebate the commission to help with the family’s cash flow) this was refused ... just a day after the Royal Commission handed down its findings!

To remediate the situation, we are currently examining the option of replacing some of the family insurance policies with an alternative provider. The policies will be established on a nil commission basis and will have the effect of achieving premium savings of up to 30%. This process will also have the effect of forcing the previous adviser to relinquish his ‘guaranteed’ commission.

I firmly believe that it is now time for all participants in the financial services industry (if they have not done so previously) to change their client service model to a transparent flat dollar, fee-for-service arrangement – before they are forced to do so because of the various Hayne Royal Commission recommendations, and the changes which took effect on 1 January 2019.

These changes require all existing financial advisers to have or obtain a relevant degree by 2024 while all new entrants from now on MUST have a Financial Planning degree and complete a Professional year BEFORE becoming a financial adviser.

**The Federal Government must mandate the removal of all commissions on financial service products ASAP – including historic offerings. It needs to be addressed immediately – in this sitting of Parliament and before the election.**

I will be writing to the Prime Minister, Treasurer, Minister for Financial Services and the Leader of the Opposition asking that they get these changes through Parliament immediately. Copies of the letters will be available via my website.

**And one more thing:**

In keeping with our practice of always informing our valued clients about what is happening at Marinis Financial Group, I write to advise that we will be locating to newer, larger premises later in the year.

Our new offices will be situated at 49 Beulah Road NORWOOD (<https://www.realcommercial.com.au/property-offices-sa-norwood-502973966>) – very close to (only 1.2kms from) our current convenient location.

There are two main reasons for our move:

The new premises will better accommodate our practice, which has grown steadily over the last 20+ years.

Secondly, I am delighted to advise that we will be sharing the new premises with accounting professional Marco Piteo and his team at Piteo Accounting and Advisory.

Having enjoyed an excellent working relationship with Marco for over 15+ years (including our joint passion for always putting the interests of our clients first) I am looking forward to the closer proximity of our respective business operations.

We will write to you with further details closer to the date, but in the meantime, if you require any further information regarding our impending move, please don't hesitate to call me on (08) 8130 5130.

Kind Regards,

**Theo Marinis B.A., B.Ec., CPA., FPA®**  
**Financial Strategist**  
**Authorised Representative**



**GROW @ Marinis**



Financial Strategies (SA) Pty Ltd | ABN 54 083 005 930  
Trading as **Marinis Financial Group** | Australian Financial Services Licence No: 326403

**P** 08 8130 5130 | **F** 08 8331 9161 | **E** [grow@marinigroup.com.au](mailto:grow@marinigroup.com.au)  
**A** 67 Kensington Road, Norwood SA 5067 | **W** [marinigroup.com.au](http://marinigroup.com.au)

If you do not wish to receive further messages of this nature, send a reply email with the word UNSUBSCRIBE in the subject box.

This message is confidential and may be privileged. It is intended only for the use of the addressee named above. If you are not the intended recipient, any unauthorised dissemination, distribution or copying is illegal. We do not guarantee the security or completeness of information hereby transmitted and we are not liable in either respect for any delay. Nothing in this message is intended as an offer or solicitation for the purchase or sale of any financial instrument. Any market prices or data, unless specifically verified and identified as such, are not warranted as to completeness or accuracy. It is the responsibility of the recipient to virus scan this email.

Please think of the environment before printing this email.