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By Krystine Lumanta
Wed 21 Dec 2011



Advisers need APL training as the responsibility for recommendations is set to intensify.

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Advisers need more education and training on approved product lists (APL) to ensure they have a good understanding of the products, particularly in light of the best interest duty, according to ANZ's advice and distribution general manager.

"We understand that we need to do a better job at giving advisers the tools and the knowledge around the [options] on the APL because whilst we take on the responsibilities of a licensee, a high-profile case last year showed that the adviser ultimately is responsible for the recommendation," Paul Barrett told *InvestorDaily*.

"That's something that we are embarking on and it's a key feature of the best interest test as well."

The Future of Financial Advice (FOFA) best interest duty will require all advisers to follow a best interest obligation, but it is uncertain at this stage where the line is drawn when an aligned adviser decides that the best outcome for the client is an aligned product.

Ensuring advisers deeply understood their dealer group's APL was therefore paramount, Barrett said.

"If [best interest] is too broad or open for interpretation, there will be a sense of nervousness [from advisers] for sure and let's face it, it's anything but clear," he said.

He said ANZ did not feel any pressure to

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expand the product range on its APLs to ensure advisers had enough choice to satisfy the best interest duty.

"We certainly are taking a review of our research capability and the APLs, but that's good business practice, it's not really a FOFA-related initiative," he said.

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