

Chapter 10

Financial Literacy, Consumer Banking and Financial Advice

Gail Pearson

I The Setting

A The Consumer and an Efficient Economy

The Australian financial system has been restructured since the 1990s primarily through the Wallis Report,¹ the *Corporations Act 2001* (Cth) (*Corporations Act*), the *Australian Securities and Investments Commission Act 2001* (Cth) and the *National Consumer Credit Protection Act 2009* (Cth) (*NCCPA*).² Contemporary Australian policy-makers, regulators and legislators use the language of empowering consumers in the same breath as competition and sustainability,³ evincing a desire to link the consumer marketplace with a competitive and efficient economy to sustain the community. This is particularly evident in financial services and it is not just about consumer protection. It casts the consumer or financial citizen as an agent for the changes required to further this vision. There are risks in harnessing consumer protection as a feature of the wider modern competitive Australian financial marketplace. One is that the consumer or financial citizen is viewed simply as a by-product of a much bigger agenda. But there is also the opportunity to place consumer concerns at the centre of that agenda.

1 See Treasury, Parliament of Australia, *Financial System Inquiry: Final Report* (March 1997) at <<http://fsi.treasury.gov.au/content/FinalReport.asp>> accessed 11 September 2012.

2 For a succinct account of reviews of the financial system see: Senate Economics References Committee, Parliament of Australia, *Competition within the Australian Banking Sector* (May 2011) Ch 3. More generally see also Chapters 1 and 9 of this volume.

3 For example, Treasury, Parliament of Australia, *Competitive and Sustainable Banking System 2010*, pp 3, 6 at <http://banking.treasury.gov.au/banking/content/reports/announcement/downloads/competitive_and_sustainable_banking.pdf> accessed 11 September 2012. See also generally Pearson G, 'Financial Literacy and Creating the Financial Citizen' in Kelly-Louw M, Nehf J and Rott P (eds) *The Future of Consumer Credit Regulation: Creative Approaches to Emerging Problems* (Ashgate, London, 2008), p 3.

This is a preview. Not all pages are shown.