
20 February 2020



The Hon Helen Coonan – a toast to FinLaw

I am absolutely delighted to join David, Sarah and Fiona this evening to help launch this imaginative and timely new business 'FinLaw'. I have been thinking about this and I really think it is a fantastic idea.

However, I want to acknowledge special guests: my dear friends, their Honours Sylvia and Arthur Emmett and the Honourable Sandy Street. And everyone here is a distinguished guest I am sure and great friends of the partners of FinLaw. So, Ladies and Gentlemen welcome all.

I think the best way to describe FinLaw is an idea whose time has come. The idea of a financial services legal locum business is just what is needed to meet the demands on financial firms facing a slew of inquiries, increased regulation and compliance in the post-Banking Royal Commission-world.

Financial services, as we all know in this room, is a fast paced and diverse industry. It is a sector that has, in many ways, been turned upside down by scrutiny of the Hayne Royal Commission, increased regulation and government responses.

The notion that firms should have regard to 'community expectations', and 'to act fairly', are legal yardsticks without precise definition or content. It has opened up new ways of looking at how firms treat their customers and how they deal with customer complaints.

Internal dispute resolution of complaints, for example, should be a key area of focus for financial firms. Having early warning systems and capacity to deal with consumer complaints and structural flaws at an early stage can 'nip the problem in the bud' and save the issue escalating into a much bigger problem. I am sure we have all seen that in our various careers. Once it does, there is almost certain reputational damage and the likely need for remediation costing millions, and sometimes billions, of dollars.



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At the Australian Financial Complaints Authority (which I chair, and which is not yet 2 years old) we have:

- received 94,000 complaints;
- resolved 81% of these; and
- negotiated or awarded \$252 million to consumers and small business owners.

I think that these are key indicators of the amount of work required to service these complaints against member firms. And we have got 38,000 firms, who are compulsory members of AFCA. How would you like that number for clients?

This is also a key indicator of the added pressures on firms who need to resource-up to deal with this heightened environment of consumer awareness and regulatory scrutiny.

It is often said that the most important asset to any business is its people. This is where FinLaw comes in. Each of the partners have the skill set to understand the business and legal dynamics that clients are facing. They are equipped to identify consultants with the right skill set to add value to a legal team – whether it is:

- in litigation;
- in due diligence;
- in facing into an inquiry;
- in writing submissions;
- in doing a regulatory review or helping with a reset of regulation;
- in dealing with regulators or government; or
- in handling dispute resolution.

There are so many potential applications for these kind of short-term consultants (or, longer term if it works out).

At AFCA, for example, we have found it necessary to almost double our workforce to 900 people as we cope with the increased jurisdiction of legacy complaints and the compensation scheme of last resort.

But what I think is ‘the icing on the cake’ with FinLaw, and the distinguishing feature of this innovative new business, is the flexible model that it offers. In times of peak demand, a short-term placement can be hired without needing to take on a full-time employee. This flexibility meets the mutual needs of both employers and consultants.

Very many legally trained people, skilled in financial services, wish to work differently to have a more suitable work/life balance; for example, this can be:

- parents;
- carers;
- travellers; or
- more contemplative souls who do not want the full-on commitment.

FinLaw offers a very contemporary way, I think:

- to place legal professionals;
- to recognise a new way of working; and
- to meet emerging demands of financial firms.

As I said at the beginning, I think FinLaw is an idea whose time has come.

I am absolutely delighted to be associated with helping launch this new initiative.

So, without further ado, I wish the ‘good ship’ FinLaw every success and to everyone who sails in her.



FinLaw
Financial Services Resourcing

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