

[Home](#)

[Industry.](#)

INDUSTRY

Ex-FASEA chief argues ethics and the finance industry don't mix

 [Tahn Sharpe](#) September 20, 2018

[in](#) [Twitter](#) [Facebook](#) [Email](#)



The former chief executive of the Financial Adviser Standards and Ethics Authority, Deen Sanders, has spoken out about a failure to uphold ethical principles in the financial services industry.

Presenting on the ‘positive’ side of a debate over the proposition that “honesty, fairness and justice are incompatible with financial services”, Sanders said this was “absolutely” the case.

“Structurally, [financial services] rewards the wrong things in terms of honesty,” Sanders argued. “Legally, it produces the wrong outcomes in terms of justice, and personally, for the community, it benefits the wrong participants.”

Have your say

at Management Research Conference, which is presented by the Portfolio Constructic

ON PRACTICE ADVICE **INDUSTRY** INVESTMENT PROFILES REGULATION OPINION ROUNDTABLES EDUCATION

magnifies difference and commercialises asymmetries of knowledge.”

Sanders made light of his own professional allegiances, saying that for “pollyanna ideologues” like him, the issue is “consumer protection”.

Regarding fairness and transparency, Sanders again blamed failure on professionals, this time using the ongoing Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to make the point.

“There can be no reasonable argument for genuine transparency and openness in environments that rely on experts,” he argued. “The royal commission has made the case very starkly.”

In considering justice, Sanders said it should be about the appropriate punishment for someone who has done something wrong. While people are the ones committing crimes, he argued, the current system allows them to hide behind businesses. Again, the royal commission provided ample fodder for his position.

“We can compare notes on a dozen people who would be spending time in jail for their corporate misdeeds, but none of them are on the stands,” Sanders lamented. “And they never will be, because the inhuman proxy of a corporation obscures access to real justice.

“Companies might support a culture, but individuals are the architects and the agents of behaviour. It’s the individuals that justice must find if there’s to be any compatibility [of ethics] with financial services.”

Despite winning the oxford-style debate, Sanders affirmed in a following Q and A session that all of these issues were fixable, but it does require “a re-imagining of the current legal and regulatory framework”.

“Industry is willing and I think it’s going to be a very exciting time ahead,” he added.

Sanders [resigned as chief executive of FASEA in April](#), handing over the interim reins to Griffith University’s Mark Brimble, who was replaced by current head Stephen Glenfield on September 1.

Since leaving FASEA, Sanders has been working for Deloitte as a professionalism leader in governance, regulation and conduct, and speaking at various financial services events, such as the Financial Services Council’s 2018 summit in July.

FASEA released a draft code of ethics for advisers in March, with a consultation period running through to June. In a subsequent consultation paper for the imminent financial adviser examination, the FASEA code of ethics was one of the five curriculum domains. Applied ethical and professional reasoning and communication was another domain.

FASEA is expected to pass on its interim recommendations around the end of September but has announced no official schedule.

[DEEN SANDERS](#), [ETHICS](#), [FASEA](#), [GRAHAM RICH](#), [INVESTMENT](#), [PCF](#)



Tahn Sharpe is a Sydney-based financial services journalist with a background in financial planning. He writes on advice, superannuation, investment, banking and insurance issues, is a certified SMSF Adviser and holds an Advanced Diploma of Financial Planning. Contact at tahn.sharpe@conexusfinancial.com.au

Tahn's Profile

Have your say

Privacy - Terms

[‘I don’t mention I’m from AMP’](#)

[Local super industry leading the world on mental health during Covid-19](#)

[Carden Calder has shown her greatest strength at home](#)

[Dislocation throwing up private equity opportunities: Armitage](#)



RELATED CONTENT



INDUSTRY

[‘I don’t mention I’m from AMP’](#)

Advisers licensed by AMP admit the latest round of scandals has made them reluctant to admit their link to the company. Yet most think De Ferrari is still the man to lead the institution back from the brink.

Have your say



INDUSTRY

[Local super industry leading the world on mental health during Covid-19](#)

It is a difficult time, but also a time of excitement for mental health advocates, who say Covid-19 is catalysing deep change among business leaders, policymakers and the broader community in how to address mental health.



INDUSTRY

[Carden Calder has shown her greatest strength at home](#)

Because hearing people talk about their personal challenges has been an enormous help to Carden Calder, the communications executive has decided to open up about her own personal situation in the hope it will help others too.

Sign up to our daily newsletter for regular news
flashes and industry insights.

Subscribe

About

Professional Planner is the leading voice for financial planners where they can learn about industry standards, get news, information, debate and develop new ideas.

- [Subscribe](#)[Advertise](#)[Contact us](#)[About Us](#)
- [Our Authors](#)[Feedback](#)[Cookie Policy](#)[Conexus Financial](#)

Our partners



© 2020 Conexus Financial. professionalplanner.com.au. Please read our [Terms and Conditions](#), [Privacy Policy](#) and [Terms of use](#).