

Super fund survey confirms advice trust challenge

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Members of superannuation funds have more trust in professional services around financial advice than they do in advisers provided by their own superannuation fund.

What is more, a survey of superannuation fund members reveals that they are more likely to go to professional services providers and friends and family for their financial advice than to superannuation fund advisers.

Disturbingly, the survey found a disturbingly high level of trust in social media as a source of advice, particularly among younger age cohorts.

Where trust in advice was concerned, however, respondents gave their highest rating to advice about retirement received from financial advisers and super fund advisers

The survey, details of which have been released by the Association of Superannuation Funds of Australia (ASFA), comes at the same time as the Government continues its policy push to enable more financial advice to be delivered via superannuation funds.

The survey has prompted ASFA chief executive, Mary Delahunty to express concern that young Australians in particular are more likely to trust social media as a source of financial advice than they are their super funds.

The core ASFA survey findings are that young Australians aged 18–34 are around twice as likely to source financial advice from social media than those aged 35–49.

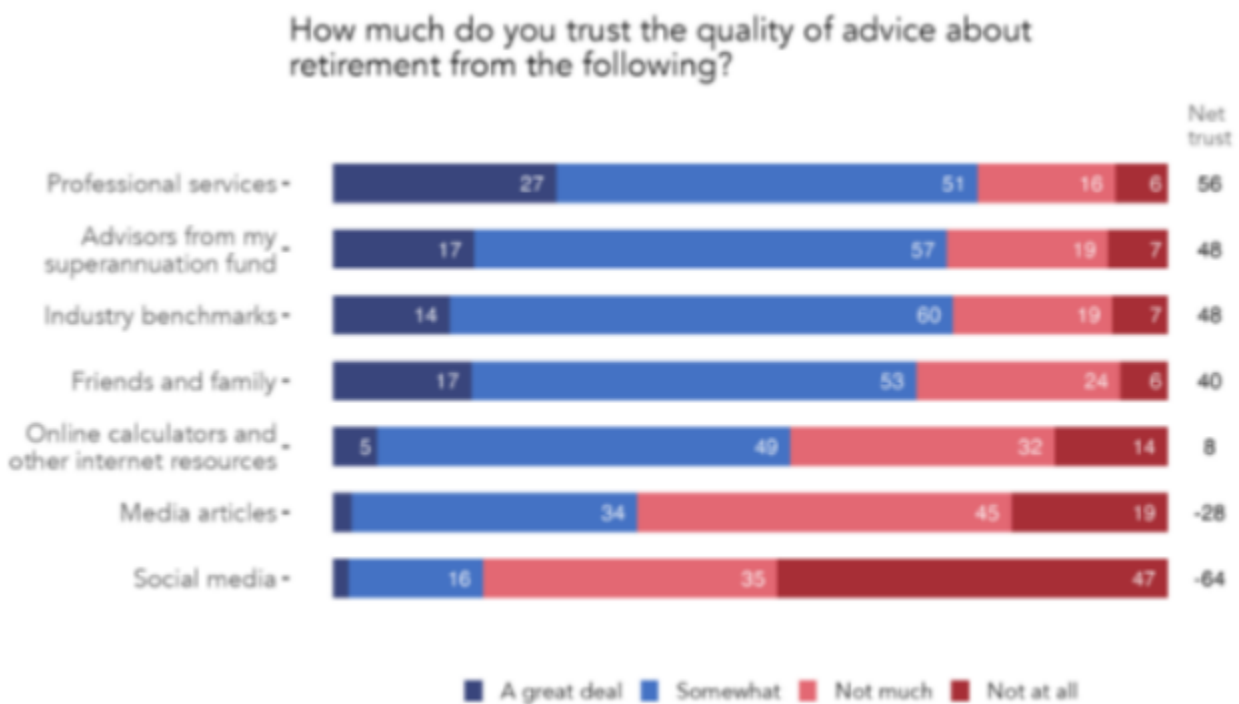
Further it found that, of the 51% of those aged 18–34 who say they have ever sourced financial advice relating to retirement or superannuation, social media was the second-most common (15%) source of advice, after friends and family (36%).

“Only 6% had sought advice from professional advisers, and 6% had been advised through their super funds,” it said.

“We are seeing a much higher degree of trust in social media-sourced advice from younger Australians, with 33% of those in the 18–34 cohort saying they trust social media advice, compared to 18% in the 35–49 cohort,” Delahunty said.

“As an industry, we have seen a number of examples of high-pressure marketing tactics, including targeting account holders through social media, which ASIC has identified as a growing concern.

“Most scams begin through interactions over platforms like Reddit, TikTok, and X. Young people’s personal trust in social media advice, combined with an increased likelihood to seek advice over social media, makes them particularly vulnerable to cybercrime and exploitation that threatens their superannuation balances and consequently a comfortable retirement,” Delahunty said.



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