



## **The Consumer Interest: Product Intervention Powers and Fairness**

Never Stand Still

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# **OVERVIEW**

- **Introduction**
- **Context and Policy Background**
- **Fairness**
- **Features of Product Intervention Powers – a Brief International Comparison**
- **Theoretical and Policy Justifications for Product Intervention Powers**
- **Conclusion**

# **Introduction**

- **The ‘Financial Citizen’: financialisation, restructuring and risk allocation**
- **Extending values in regulating for the financial consumer: ‘fairness’**
- **The Financial System Inquiry and the financial consumer Interest**
- **Extending regulation up the ‘value chain’**

# **Context and Policy Background**

- **Murray: a wider approach to market failure**
- **The capabilities of the financial citizen: literacy and behaviouralism**
- **Fine-tuning disclosure**
- **Improving the quality of advice**
- **A more timely and muscular approach to regulation**
- **Fairness and product governance**

# **Features of PI Powers and Comparison**

- **Standards for intervention**
- **Rulemaking or enforcement action?**
- **In relation to consumer products only?**
- **From product intervention to prohibition: the range of intervention techniques**
- **Financial product governance**
- **Accountability especially for temporary powers**

# **Theory and Policy and PI Powers**

- **Suitability or appropriateness**
- **Financial utility or value for money**
- **Systemic stability**
- **Promoting competition**
- **Integrity**
- **Fairness**

# Conclusion

- Regulatory philosophy different in the retail sector
- Evidence that 'financial citizen' needs protection
- International trend to greater protection
- Product intervention *and* financial product governance
- Should a breach of financial services law be required?
- What evidence of 'significant' or 'substantial damage'?
- More timely and muscular approach to supervision
- Rule making or decision making? Accountability?



## **CLTA – Suitable or Systemic? Addressing Consumer Financial Risk Using Product Intervention Powers**

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