



Compensation Scheme of Last Resort

Impact Report 2025



**COMPENSATION
SCHEME OF
LAST RESORT**



Acknowledgement of country

The CSLR acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, culture and community. We pay our respects to Elders past and present.

Table of **contents**

About this report	5
Chair message	6
CEO message	7
About the CSLR	8
Why do we need a Scheme of ‘last resort’?	9
What does it mean to be a Scheme of ‘last resort’?	10
What does 'last resort' look like?	11
FY2025 at a glance	14
FY2025 sector observations	15
About our claimants	18
Claims summary FY2025	22
Legislative reporting requirements	28
Financial Performance	40
Corporate governance	42



About **this report**

The 2025 Compensation Scheme of Last Resort (CSLR, the CSLR, the Company, the Scheme) Impact Report encompasses the first full 12 months of the Scheme's operation. This document fulfils the reporting obligations as outlined under section 1069G of the Corporations Act 2001 (Cth) and regulation 7.10B.55 of the Corporations Regulations Act 2001 (Cth).

This report includes key metrics, observations, claimant perspectives and a link to our comprehensive Financial Report for the period July 1, 2024 – June 30, 2025.



Chair message

As we approach the end of the 2025 calendar year, I am pleased to present the Compensation Scheme of Last Resort's 2025 Impact Report.

This year marks a significant milestone in our commitment to support trust, integrity, and accountability within Australia's financial system.

Since operations began in April 2024, the CSLR has delivered on its core purpose; to provide compensation to eligible consumers who have experienced financial loss due to misconduct of financial services providers and where all other avenues of redress have been exhausted.

In doing so, we have sought not only to assist affected individuals and families, but also to reinforce broader confidence in the dispute resolution framework.

The past 12 months have seen the Scheme provide compensation to more than 400 victims of financial misconduct. While the numbers tell part of the story, the human impact of our work is immeasurable.

We are proud of the operational progress made this year. From enhancing our claims process to engaging with stakeholders across government, regulatory bodies, industry and consumer groups.

Transparency, fairness and independence remain central to how we operate.

Looking ahead, we remain committed to continuous improvement, informed by feedback and driven by the evolving needs of the community we serve.

Our goal is clear: to ensure the sustainability of the Scheme and deliver effective and accessible outcomes, now and into the future.

On behalf of the Board, I would like to thank the CSLR team. Your dedication and collaboration are instrumental in fulfilling our purpose, and we are enormously appreciative.

Jo-Anne Bloch
Chair, Compensation
Scheme of Last Resort



CEO message

In 2025, the CSLR advanced claims processing, built trust, strengthened operations and highlighted the impact of financial misconduct and funding challenges.

As we reflect on the outcomes and performance of the Compensation Scheme of Last Resort (CSLR) for 2025, the Scheme's foundational purpose remains more relevant than ever, to build trust in the financial services sector by supporting eligible victims of financial misconduct receive compensation when no other avenues are available.

The 2025 financial year has seen the Scheme focus on several key areas, including:

- The efficient processing of 434 claims to victims of financial misconduct;
- Streamlining key day-to-day operational infrastructure and processes as outlined in the legislation;
- Fostering impactful relationships with key stakeholders across consumer advocates, industry and government.

In February, then Assistant Treasurer, Stephen Jones MP, announced a post-implementation review of the Scheme. The CSLR's submission to the post-implementation review was a holistic reflection of the observations it has had in connection with implementing the Scheme. Our response was aimed at addressing the following objectives and challenges,

- Ensuring the sustainability of the CSLR
- Providing support for victims of financial misconduct
- Overcoming challenges and shortcomings of the current CSLR funding structure
- Addressing industry practices to enhance trust in the financial sector

In supporting the victims of financial misconduct, we have observed that where financial misconduct is evident, it erodes trust in the entire financial system. Additionally, the social impact is significant, with many victims supported by the CSLR having lost their life savings and now facing an age where financial recovery is exceedingly difficult.

Adjacent to these insights, it is crucial to note that, despite the vast majority of financial services operators conducting themselves in line with regulatory expectations, the rate and scale of misconduct and firm failures amongst the personal financial advice sector do not appear to be slowing – an issue that concerns not only the consumer, but the entire financial services industry.

I am deeply grateful for the ongoing support of all our stakeholders, including the team that has worked tirelessly behind the scenes to make the Scheme more accessible and efficient. Together, we are fulfilling our mission of safeguarding consumers and fostering a more resilient financial system. We remain committed to administering the Scheme in line with the relevant legislation and to remain transparent in our activities for the benefit of all stakeholders.

David Berry
CEO – Compensation Scheme of Last Resort

About the CSLR

The CSLR supports victims of financial misconduct when all other avenues to recover money are exhausted.

History

The Compensation Scheme of Last Resort (CSLR) was established with bipartisan parliamentary support in June 2023 as a result of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Hayne Royal Commission, 2019) and the Ramsay Review (2017).

The reviews recognised the importance of a robust dispute resolution system to uphold consumer trust and confidence in the Australian Financial Services industry.

The Ramsay Review proposed the establishment of a unified external dispute resolution body for financial services and superannuation grievances. In 2018, the Australian Financial Complaints Authority (AFCA) was established as an outcome of this proposal.

Beyond the establishment of AFCA, both the Ramsay Review and the Hayne Royal Commission found that existing dispute resolution frameworks were insufficient to adequately compensate individuals impacted by conduct that fell below the regulatory standards and expectations. This was particularly evident in cases where successful AFCA claimants were

unable to receive compensation due to the insolvency of the relevant financial firm.

In cases such as these, despite the complaint being resolved in the claimant's favour, there was no mechanism available to provide compensation.

To address this disparity, the government created a compensation scheme of last resort.

Operation of the Scheme

The CSLR is industry-funded and provides compensation to individuals harmed by misconduct in the financial services sector.

The Scheme ensures that eligible individuals who have received a determination in their favour from AFCA can receive compensation up to \$150,000 once all other avenues have been exhausted.

The Scheme operates independently, with a key focus on providing relief to victims of financial misconduct. The CSLR plays a vital role in fostering consumer confidence in the financial services sector.

Why do we need a Scheme of 'last resort'?

At the foundation of financial services is trust that the professionals supporting people through complex and challenging financial products and services are doing the right thing.

The impact of financial misconduct has a disproportionately negative impact on the entire system. It erodes trust from the efforts of the majority who are compliant with the regulatory expectations of acting in the best interest of their clients.

Additionally, the social impact is significant, with the majority of victims seen by the CSLR losing life savings and being at an age where it is difficult to recover.

The social impact of financial losses was demonstrated via research carried out by ASIC that found that the effects of financial misconduct and the consequential monetary loss felt by some victims led to some or all of the following outcomes¹:

- Loss of their home, leading them to be at risk of or experience homelessness. Some found themselves living in a motor vehicle.
- Serious illness, either a new medical diagnosis or the aggravation of an existing illness due to excess stress.
- Going without food and avoiding using heating and cooling despite extreme temperatures.
- They found themselves embarrassed or ashamed to disclose their loss to friends and family, leading to isolation, putting them at risk of mental ill health.

¹ <https://treasury.gov.au/sites/default/files/2019-03/c2017-t185463-SupplementaryIssuesPaper.pdf>

What does it mean to be a **Scheme of ‘last resort’?**

Once a claim has reached the CSLR, the consumer has, in most cases, experienced a stressful, lengthy, time-consuming and sometimes expensive process to unsuccessfully recover their funds.

The ‘last resort’ component of the Scheme is a reflection that all reasonable avenues to recover funds from the firm in question have been exhausted, with little or no expectation of payment.

Under the relevant legislation, the CSLR has a mandatory obligation to ensure the following steps in relation to the payment of a claim:

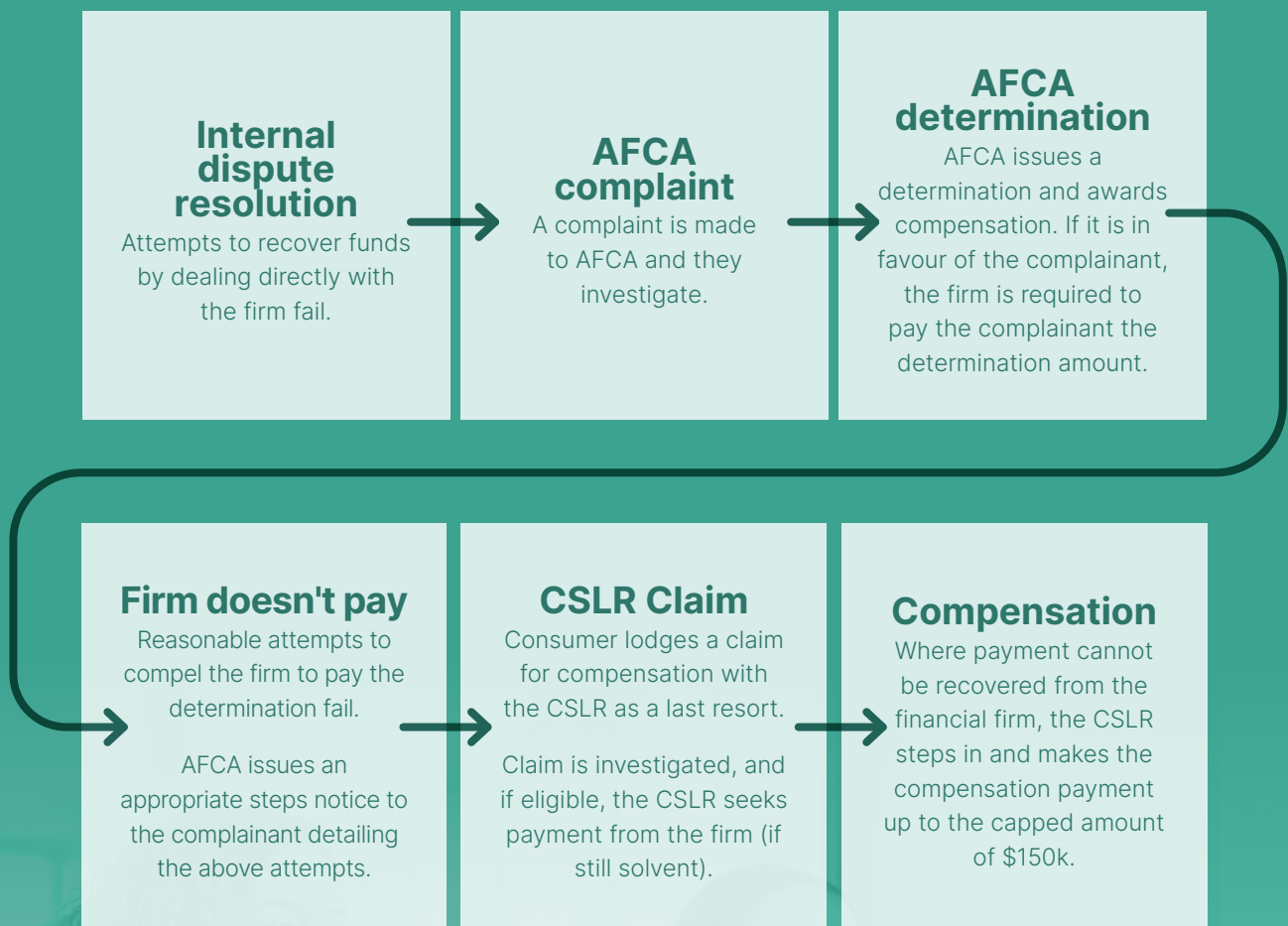
1. An individual has received an eligible AFCA determination that remains unpaid;
2. The individual is not eligible under any other compensation scheme; and
3. The CSLR has formed a reasonable belief that the payment will not be made by the financial firm against whom the AFCA determination was made.

The mandatory obligation to pay compensation to a person is not contingent on:

- Private legal action being taken by a person against a relevant entity (i.e. through a Court);
- The payment of any proceeds or dividends as a result of insolvency or class action
- Claims, or attempts to claim, against the financial firm’s professional indemnity insurance policy; or
- Enforcement action being taken on behalf of a person/s by a regulatory body.

What does 'last resort' look like?

The CSLR supports people when all other avenues for recovery of funds have been exhausted.



A photograph of an older couple, Robert and Patricia, sitting on a teal sofa. Robert, on the left, has grey hair, a beard, and glasses, wearing a blue and green plaid shirt. Patricia, on the right, has brown hair and is wearing a white button-down shirt. They are both looking down at a yellow folder that Patricia is holding. The background is a soft-focus indoor setting with a patterned pillow and a white pillow.

Robert and Patricia's experience

Robert* and Patricia* were fast approaching retirement when they engaged a well-known financial services firm to maximise the returns on their self-managed superannuation fund (SMSF) in 2015.

They engaged Dixon Advisory and Superannuation Services (DASS) to maximise the returns on their retirement savings and investments over a period of approximately six years.

Robert and Patricia's accountant raised concerns regarding the mix of their portfolio against the couple's long-term goals. Closer inspection revealed they were right to feel uneasy about the state of their SMSF, and they decided to cease their relationship with the firm.

"It was incredibly challenging to withdraw ourselves from the firm. They were unresponsive to emails and phone calls. Eventually, we were able to get ourselves out of there, about six months prior to the firm collapsing," explained Robert.

By this point, the couple had lost almost a quarter of their portfolio's worth.

"My wife and I were devastated – but what could we do? I was supposed to retire, but in order to live comfortably, I have to continue working," said Robert.

The couple lodged a complaint with AFCA, and the subsequent determination found that the firm did not act in Robert and Patricia's best interest, and that the advice given was not aligned with their goals or risk profile.

"When we learned about the CSLR, we lodged a claim as soon as we could. It's been a godsend. While we weren't able to get back the entirety of what we lost, receiving something was more than we expected," said Robert.

In May 2025, the CSLR paid Robert and Patricia compensation at the capped amount of \$150,000.

"We are so pleased to be able to put this all behind us."

“
I was supposed to retire, but in order to live comfortably, I have to continue working.”

FY2025 at a glance



472

Claims
received



434

Claims
paid



\$48.3m

Compensation
paid



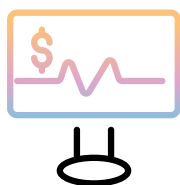
53

CSLR ineligible
claims



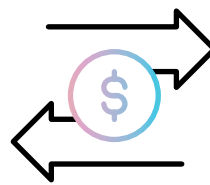
71-80yr

the age group
with the highest
number of
claims



\$111K

Average
compensation
amount



\$240K

Average AFCA
determination
amount



59 days[^]

Average time
between claim
and payment



38

Firms for
which we paid
compensation
against



89%*

Claimant
satisfaction
rating

*via survey.

[^]paused time refers to periods of inaction due to extenuating circumstances, including but not limited to, awaiting dividend payments to claimants under a relevant Deed of Company Arrangement (DOCA).

FY2025

sector observations

FY2025 saw the CSLR pay **434 claims** with compensation totalling **\$48,267,576** against **38 financial firms**.

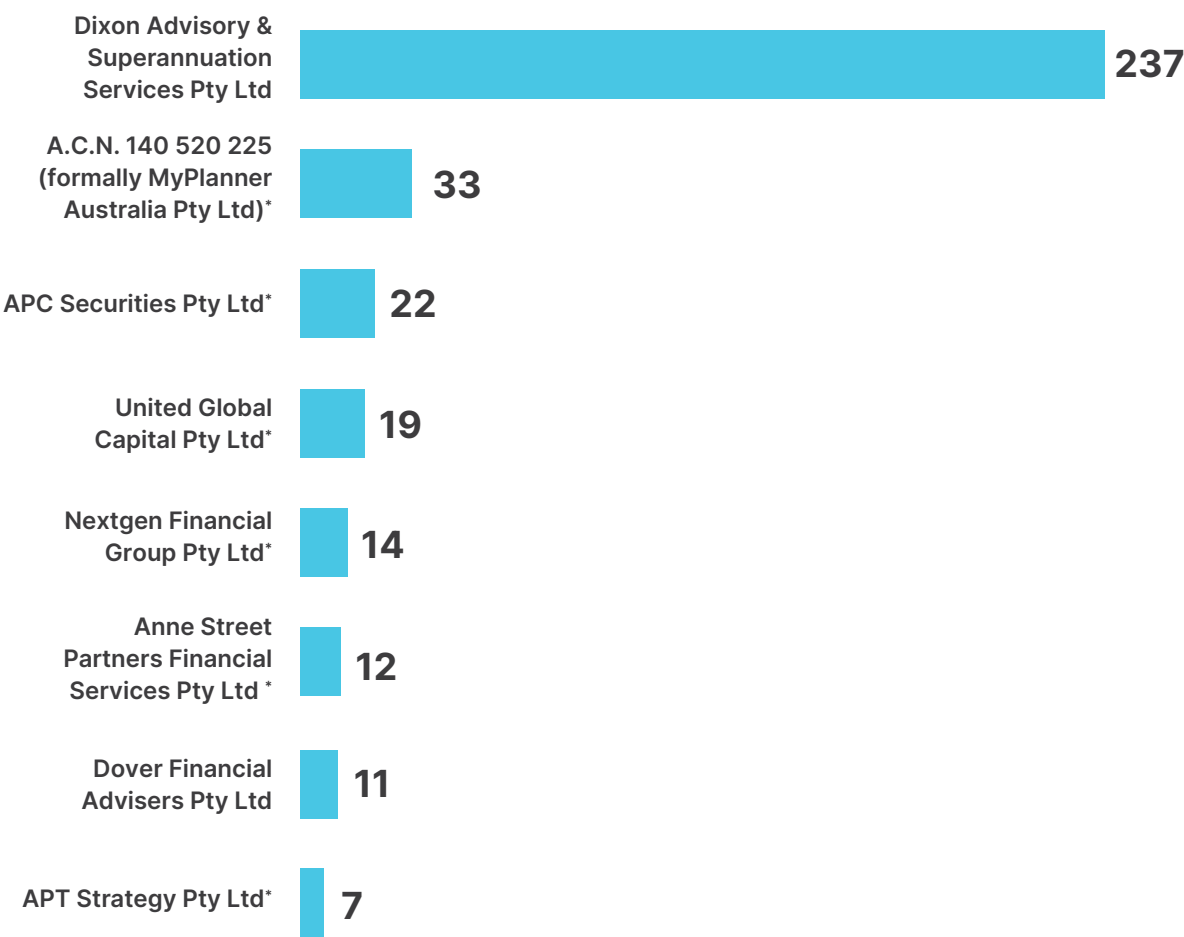
As expected, Dixon Advisory and Superannuation Services (DASS) made up the majority of claims paid, at 237 or 54% of all claims, totalling \$31,902,789 or 66% of all payments.

The rate and scale of firm failures show no signs of abating, and this should be of significant concern to consumer groups, industry and government.

The below graph details the eight firms with the highest number of claims paid against them for FY2025.

In addition to these eight firms, a further 30 firms had compensation paid out against them; ranging from one to six claims.

Paid claims against firms FY2025



*In liquidation



Olivia's experience

Retiree Olivia* and her partner had entered retirement when they found themselves victims of inappropriate financial advice in relation to their self-managed superannuation fund (SMSF).

"We worked hard throughout our careers and were determined to be financially independent," said Olivia.

By the time the couple began to realise something wasn't right with their account, they had lost almost \$200,000 in retirement savings.

The financial firm they had trusted to help them fund a comfortable retirement had not prioritised them, rather, it recommended they invest in products that didn't align with their long-term goals or risk profile.

"It became clear to us that the investments we'd been recommended were predominantly in-house products, and this made us very uncomfortable. Unfortunately, it was too late, we'd already lost so much," Olivia said.

This loss led to them needing to sell their home and leave the community they'd resided in for almost twenty years; a decision that was incredibly distressing for the couple.

"We simply couldn't afford the upkeep, and given the loss, we thought this would be the only way we could continue a relatively comfortable retirement," Olivia explained.

A complaint was filed with AFCA, which found in favour of Olivia and her partner.

"Thank goodness for the CSLR, we are just so grateful we were eligible for compensation – the difference it has made to our lives has been immeasurable," Olivia said.

In a pleasing update, the couple have managed to purchase a small home back in their beloved NSW community and recently returned to what they expect to be a long and happy retirement.

"Moving back simply wouldn't have been possible without the compensation we received. Thank you so much."

“

Thank goodness for the CSLR, we are just so grateful we were eligible for compensation – the difference it has made to our lives has been immeasurable.

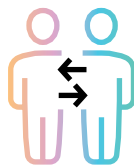
”

About our claimants

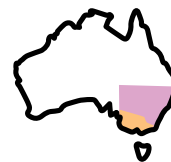
The CSLR deals with people from all walks of life, each with a unique set of circumstances. Based on FY2025 claim data, of the CSLR claimants:



88.7%
claimed against
the personal
financial advice
sub-sector



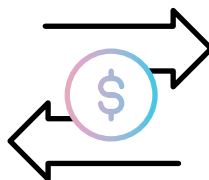
were 64.4
years of age, on
average.



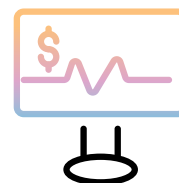
the majority
live in NSW or
Victoria



***93.6%**
received advice
regarding a
self-managed
superannuation
fund (SMSF)



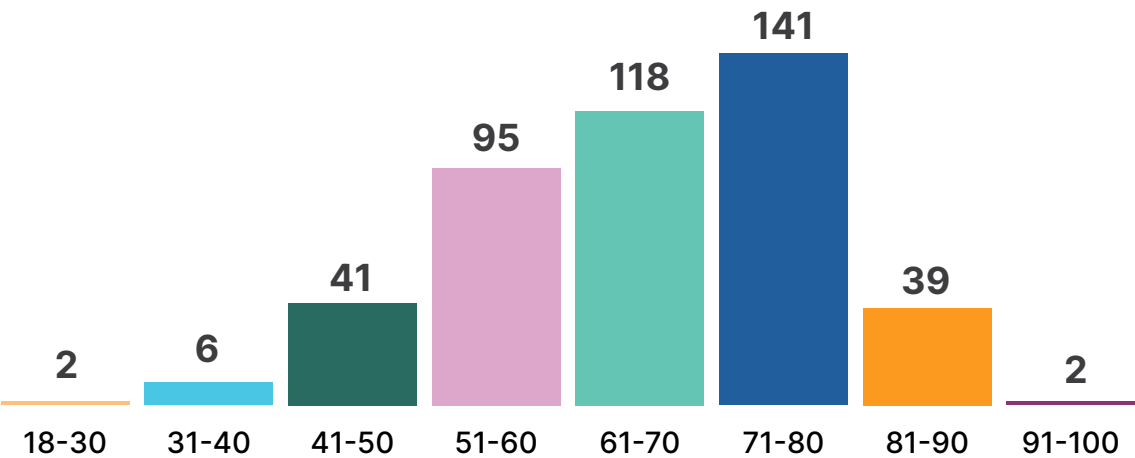
\$225K
was the average
compensation
amount awarded
per AFCA
determination



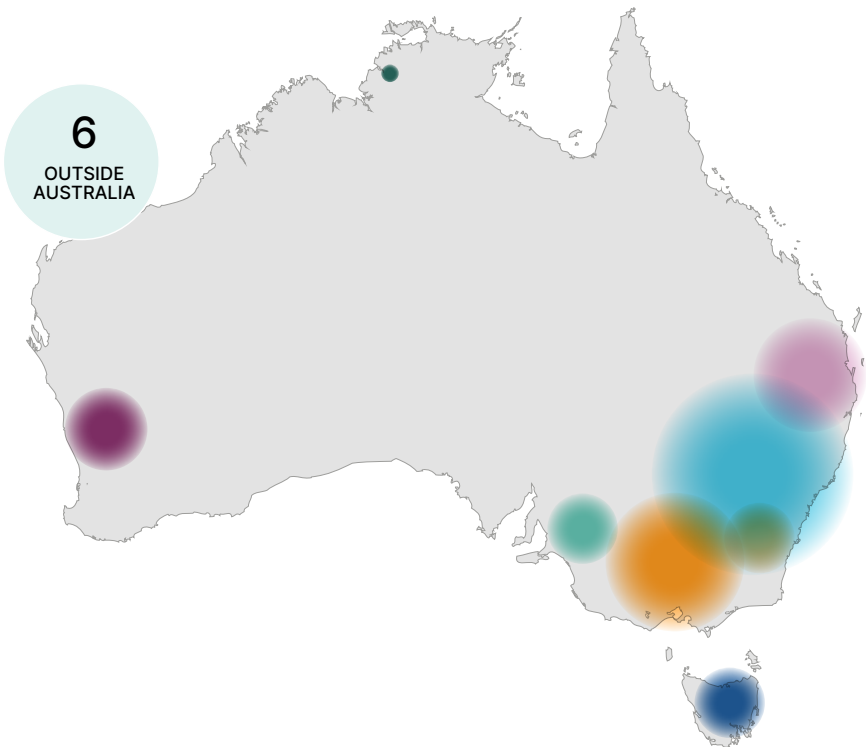
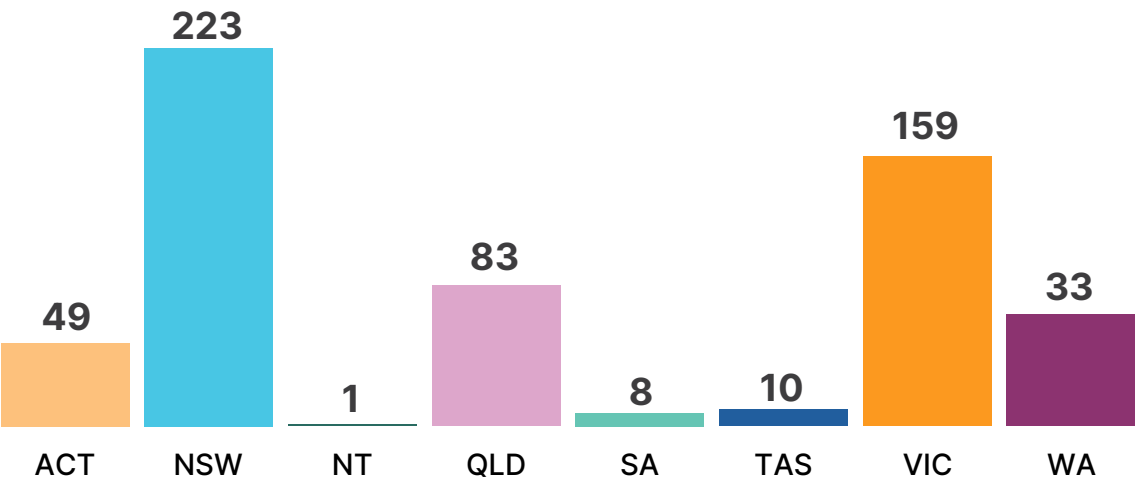
\$111K
was the average
CSLR compensation
payment

*93.6% of claimants in the personal financial advice sub-sector were advised on self-managed superannuation funds.

Claims by age group



Where do CSLR claimants reside?





Gabrielle and Jonathan's experience

Gabrielle* and her husband Jonathan* established a superannuation fund in 1995 that they managed themselves for almost 15 years.

Gabrielle was meticulous about keeping records, until she unexpectedly suffered a serious health episode in 2010 that saw her in intensive care and led to extensive hospital stays and rehabilitation.

In 2011, as she and Jonathan focused on her recovery, they elected to move the management of their finances to a large financial services firm

Over the following six or so years, the couple developed a close, trusting relationship with their financial advisor.

Gabrielle started to get the feeling that something wasn't quite right in early 2019, when she noticed that returns were going down. However, given additional family health challenges and other extenuating circumstances, the couple elected to 'wait and see' and decided not to make any changes to their portfolio moving forward.

In September 2021, Gabrielle recalled a phone call from their advisor, explaining that due to the fact they hadn't been making any transactions in their fund over the past 12 months, Gabrielle and Jonathan were at risk of having their portfolio transferred to a different advisor within the firm.

"I was taken aback and found it quite distressing to see such a shift in attitude toward us, especially as we'd been working so closely with this person, and built up a great level of trust with them over a long period of time," explained Gabrielle.

After some consideration, Gabrielle and Jonathan decided that they would cease their relationship with the firm at the end of the financial year, explaining that they would have left sooner, but that they'd paid their fees in advance.

In January 2022, the firm was placed into liquidation.

Gabrielle and Jonathan lodged a complaint with AFCA in August 2022 and received a determination in their favour for close to \$700,000.

They went on to claim compensation with the CSLR in March 2025 and received a payment of \$150,000 in May.

"We are incredibly grateful that the CSLR exists. While we weren't able to receive the total amount of our determination, \$150,000 is far beyond what we ever expected to see," says Gabrielle.

"The Scheme is both a source of relief for so many people in similar situations to us, but we hope it also demonstrates the importance of honesty and integrity across the entire financial services sector, and that fewer people find themselves needing compensation in the future."

“

We are incredibly grateful that the CSLR exists. While we weren't able to receive the total amount of our determination, \$150,000 is far beyond what we ever expected to see.

”

Claims summary

FY2025

The CSLR receives funds based on levy estimates generated for each levy period.

These funds are reserved for claims anticipated to be lodged within that period. However, the lodging of claims is dependent on AFCA's capacity to investigate and make determinations that will result in a claim with the CSLR. The CSLR anticipates it will take AFCA some time for

all anticipated complaints (particularly Pre-CSLR complaints) to be processed and subsequently lodged with the Scheme.

Any surplus funds from prior levies will be redirected against future levy periods.

FY2025 key metrics



472

claims
received



434

claims
paid



\$48.3m

compensation
paid



Pre-CSLR levy period (\$241m)	Estimated claims*	Claims received	Claims paid^	Ineligible claims	Compensation paid^
Personal financial advice (DASS)	1,556	215	193	7	\$25,881,178
Personal financial advice (other)	284	81	104^	20	\$8,367,551
Credit provision	12	5	4	4	\$332,578
Credit intermediation	25	5	4	1	\$412,882
Securities dealing	36	18	21	5	\$2,259,850
TOTAL	1,913	324	326	37	\$37,254,039

FY 25 levy period (\$24.1m)	Estimated claims*	Claims received	Claims paid^	Ineligible claims	Compensation paid^
Personal financial advice (DASS)	86	53	44	5	\$6,021,611
Personal financial advice (other)	20	64	44	3	\$4,227,317
Credit provision	6	5	6	1	\$4,765
Credit intermediation	6	1	-	-	\$0.00
Securities dealing	10	25	14	7	\$759,845
TOTAL	128	148	108	16	\$11,013,537

*Estimates from CSLR Actuarial reports, published on www.cslr.org.au

^ the total of claims paid includes claims that were received in FY2024 and paid in FY2025, alongside claims received and paid in FY2025.

Meredith and Richard's experience

Meredith* and her husband Richard* fell victim to inappropriate advice from a mortgage broker leading them to experience severe financial hardship.

In 2018, the broker advised them to sell their property in NSW and relocate to Queensland where they purchased two properties, taking out loans totalling almost \$1 million.

The couple approached AFCA in the latter half of 2020 with concerns they had been given poor advice, and that the broker had not properly considered their financial situation prior to broking their loans.

They found themselves in severe financial hardship and soon were in arrears on their home loans. This caused them immense stress, which became worse once they had exhausted their bank's hardship support.

In February 2023, AFCA awarded the couple a total of \$54,000. Meredith and Richard made a claim with the CSLR and were paid their full award.

Joan's experience

Joan was the victim of elder abuse by her financial advisor that led her to endure a long period of stress and inconvenience after her attempts to recover her funds failed.

Joan received an inheritance from her sister, and not long after coming into these funds, her financial adviser suggested she loan him \$50,000. Joan agreed to loan him the money, which he used to purchase a cattle property in Queensland.

This was a clear abuse of his position as Joan's trusted adviser, particularly as Joan was elderly and had very little financial knowledge or experience.

Joan approached her daughter, Alice, for help when she couldn't contact her financial adviser to help process her tax return.

"Mum was incredibly upset, and when I couldn't reach the adviser, we all began to worry that something unsavoury was going on," explains Alice.

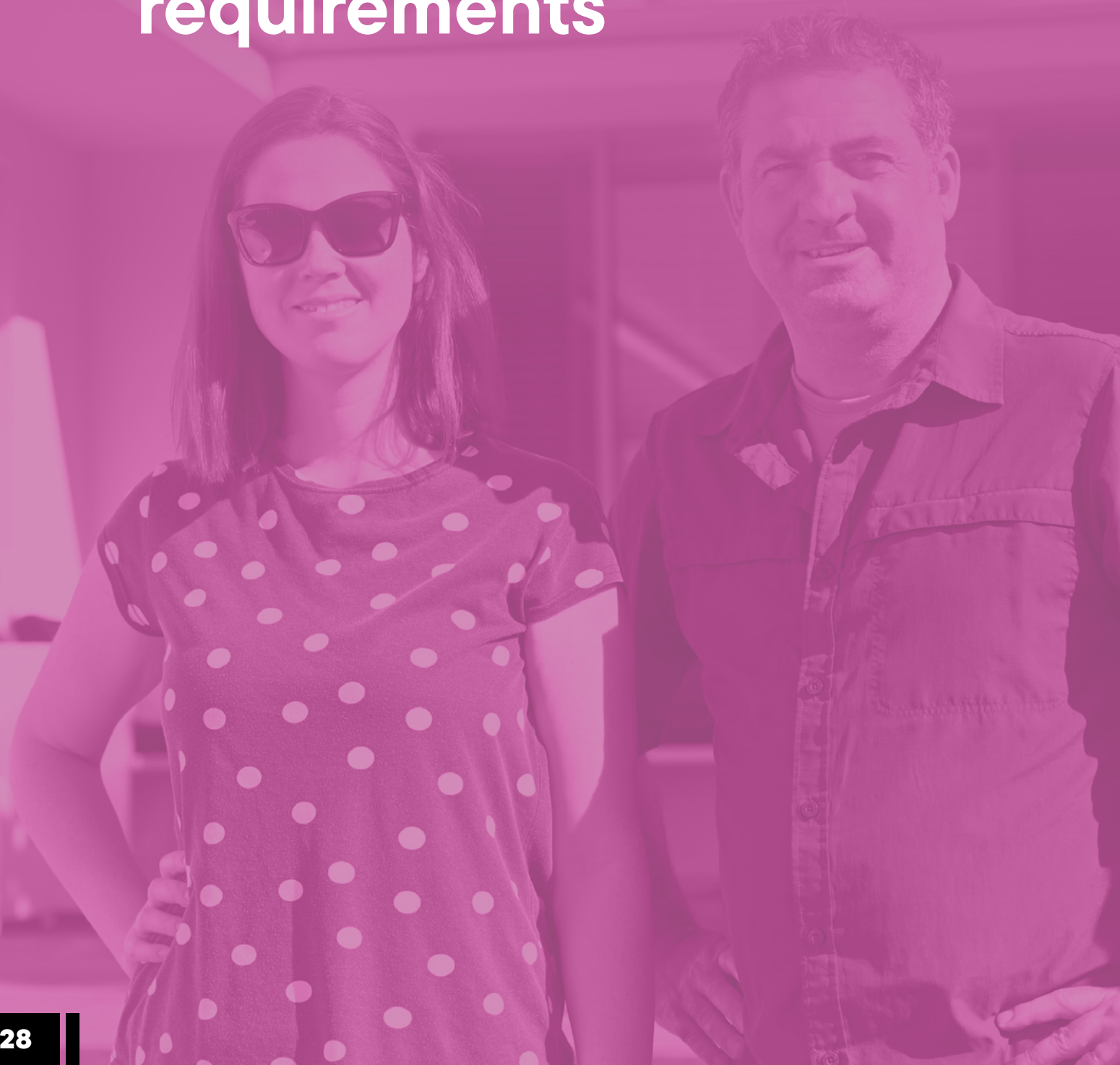
Alice was able to assist her mother in making a complaint to AFCA, and she eventually made an eligible claim with the CSLR, receiving full compensation for her loss.

"The entire experience was so stressful for Mum. She was beside herself and felt foolish for placing trust in the adviser. She was an ordinary person who worked hard all her life, and was taken advantage of because of her kind, trusting nature – thank goodness for the CSLR," said Alice.

ASIC, AFCA and the CSLR were very helpful throughout the process, which made an awfully stressful situation just that little bit easier.

“
| *We are so grateful to receive compensation,*
| *as it has allowed us to fund vital dementia*
| *care for her as she ages.* **”**

Legislative reporting **requirements**



The information in this section is in response to the matters prescribed by 7.10B.55 of the Corporations Regulation 2001 (Cth).

7.10B.55(a)

The CSLR operator's estimate of the costs for the financial services Compensation Scheme of Last Resort for the levy period, including the following:

7.10.55(a)(i)

Each claims, fees and costs estimate for the levy period (within the meaning of the Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023).

	Credit intermediaries		Credit providers		Licensed personal advice		Securities dealers	
	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
Gross claims payments	381,236	-	15,676	4,765	11,539,539	10,287,060	804,873	759,845
Recoveries & offsets	-21,514	-	-924	-	-161,681	-38,133	-45,427	-
Compensation claims	359,722	-	14,752	4,765	11,377,858	10,248,927	759,446	759,845
AFCA unpaid fees	126,499	3,718	162,323	141,092	1,978,099	1,755,240	193,007	244,426
CSLR administration costs	566,633	530,321	571,031	536,429	4,717,242	2,695,963	592,740	560,977
Investment income	-30,680	-88,482	-28,151	-68,153	-288,953	-710,915	-35,118	-106,363
CSLR administration costs	535,953	441,839	542,880	468,276	4,428,289	1,985,049	557,622	454,614
ASIC administration costs	361,147	321,572	361,147	321,572	361,147	321,572	361,147	321,572
TOTAL	1,383,321	767,129	1,081,102	935,705	18,145,393	14,310,788	1,871,222	1,780,457

7.10B.55(a)(ii)

For the Pre-CSLR levy – The estimate under section 11 of the Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023).

	Credit intermediaries			Credit providers			Licensed personal advice			Securities dealers		
	Estimate	Actual FY24	Actual FY25	Estimate	Actual FY24	Actual FY25	Estimate	Actual FY24	Actual FY25	Estimate	Actual FY24	Actual FY25
Gross claims payments	2,559,653	204,050	473,882	199,715	-	332,578	220,399,508	597,546	35,365,227	3,782,755		2,259,850
Recoveries & offsets	-25,597	-	-61,000	-1,997	-	-	-2,203,995	-51,303	-1,134,627	-37,828		-
Compensation claims	2,534,056	204,050	412,882	197,718	-	332,578	218,195,513	546,243	34,230,600	3,744,927		2,259,850
AFCA unpaid fees	384,556	17,573	25,254	102,310	15,551	19,404	24,059,033	1,096,019	3,938,682	560,515	145,192	161,023
Investment income	-102,343	-	-122,500	-9,216	-	-3,910	-8,658,155	-	-11,107,009	-151,114	-	-134,054
TOTAL	2,816,269	221,623	315,636	290,812	15,551	348,072	233,596,391	1,642,262	27,062,274	4,154,328	145,192	2,286,819

7.10B.55(a)(iii)

For each of the first 4 levy periods, any revised estimate under section 12 of the Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023 that is made before the time of preparing the report and that has not been included in an earlier report.

A revised estimate was not required for this reporting period.

7.10B.55(b)

The CSLR operator's approach to determining each of the levy estimates.

Estimates determined in accordance with the [Pre-CSLR Complaints Initial Estimate and FY2024 and FY2025 Levy Estimates](#).

7.10B.55(c)

The number of applications made under section 1066 of the Act during the levy period.

- **472 claims lodged**
- **45 financial firms**

7.10B.55(d)

The number of payments of amounts of compensation under section 1063 of the Act during the levy period, and the total of those amounts.

- **434 claims paid**
- **\$48,267,576 compensation paid**
- **\$111,215 average compensation payment value**

7.10B.55(e)

The number of applications made under section 1066 of the Act by persons during the levy period for which the persons are not eligible under section 1064 of the Act for compensation.

53 ineligible claims.

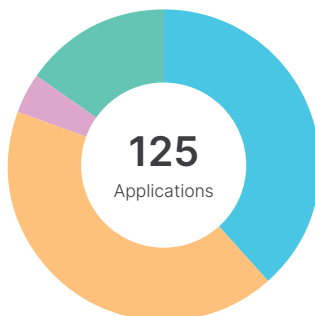
A total of 45 ineligibility decisions were made, including 12 related to DASS. 1 DASS claim related to the DOCA dividend exceeding the determination amount. The remaining 11 DASS claims as well as the other 8 'non-genuine' ineligible claims were lacking an AFCA determination and/or an appropriate steps notice.

7.10B.55(f)

The number of applications made under section 1066 of the Act by persons during the levy period for which, at the time of preparing the report it is too early for the persons to be notified under section 1068 of the Act of:

7.10B.55(f)(i) & 7.10B.55(f)(ii)

The CSLR has received 472 applications under section 1066 of the Act during the reporting period. Of those, 48 are still in progress and it is too early to tell if they are eligible (i) or ineligible (ii).



48	in progress
53	ineligible
5	5 withdrawn (offer exceeded 90 days)
19	offers made

7.10B.55(g)

The average time taken after the CSLR operator receives an application made under section 1066 of the Act by a person during the levy period for the CSLR operator to notify the person under section 1068 of the Act.

7.10B.55(g)(i)

Time to offer of compensation:

average = 80.9 days

excluding time paused* = 47.5 days

7.10B.55(g)(ii)

Advice that the person is not eligible for compensation:

Average = 84 days (53 ineligible claims)

“

I couldn't stop crying. Losing money like this changes people's lives. I am eternally grateful the CSLR was created. I feel very fortunate that I've received compensation. It has gone a long way in restoring my trust in the financial services profession.

”

Pam, CSLR Claimant

*paused time refers to periods of inaction due to extenuating circumstances, including but not limited to, awaiting dividend payments to claimants under a relevant Deed of Company Arrangement (DOCA).

7.10B.55(h)

An analysis of the applications (including ineligible claims) made under section 1066 of the Act during the levy period that includes any details of:

7.10B.55(h)(i)

The kinds of products or services covered by the relevant AFCA determination to which the applications relate. The information provided in the following table has been provided directly from AFCA without any modification or alteration by the CSLR.

Credit	Consumer credit	Home loan	1
		Investment property loans	1
		Personal loans	8
	Consumer credit; guarantees	Consumer guarantee, personal loan	1
	Guarantees	Business guarantees	1
	Other	Non-FF debt	1
Sub-total			13
Inappropriate advice	Superannuation – non-trustee related	Self-managed superannuation fund	1
Sub-total			1
Investments	Derivatives/hedging	Contracts for difference	3
		Foreign exchange	4
	Managed investments	Australian equity funds	4
		Cash management accounts	8
		Investments	1
		Investor direct portfolio services	9
		Managed discretionary accounts	5
		Mixed asset fund/s	40
		Mortgage schemes	3
		Timeshare schemes	5
		Property funds	20
		Managed investments, superannuation – non-trustee related	Mixed asset fund/s SMSF
	Mixed asset fund/s superannuation		1
	Property funds SMSF		3
	Other (investments)		2
	Real property, superannuation – non-trustee related	Real property	7
		Real property SMSF	4
	Securities	Shares	42
		Promissory notes	1
	Superannuation – non-trustee related	Exchange-traded funds	1
		Pension	3
		Approved deposit fund	1
		Pooled superannuation trust	1
		SMSF	318
		SMSF, Superannuation fund	2
		Superannuation fund	46
		Superannuation fund – non-trustee related	1
		Retirement savings account	1
Sub-total			540
Investments - Life insurance	Income stream risk – non-income stream risk – superannuation, non-trustee related	Income protection – SMSF – total and permanent disability	1
Sub-total			1
Investments – superannuation	Superannuation – non-trustee related – superannuation fund	SMSF, Superannuation account	1
Sub-total			1
Life insurance	Income stream risk	Income protection	2
Sub-total			2
Undetermined*	-	-	11
Sub-total			11
General insurance	Domestic insurance	Travel	1
Sub-total			1
Deposit taking	Current accounts	Business transaction accounts	1
Sub-total			1
GRAND TOTAL			571

*AFCA claims that were active in any capacity during FY2025

7.10B.55(h)(ii)

The kinds of providers of these products and services

Financial advisor/planner	469
Securities dealer	34
Managed investments scheme operator/Fund manager	20
Other [^]	12
Credit provider	7
Trustee	7
Mortgage broker/manager	5
Timeshare scheme operator	5
Derivatives dealer	3
Debt collector or buyer	2
Corporate advisor	2
Custodial and depository service	1
Debt management	1
Foreign exchange dealer	1
General insurer	1
Managed discretionary account operator	1
GRAND TOTAL	571*

[^]Other – these claims were deemed ineligible, pre-dating AFCA with no additional data available.

*AFCA claims that were active in any capacity during FY2025

7.10B.55(h)(ii)

Patterns and trends seen by the CSLR

Advice not in best interests or suitable for personal circumstances	224
Advice not aligned to risk profile	139
Misleading or deceptive advice	37
Inappropriate advice to use an SMSF to borrow and/or invest in property	35
Failure to regularly review investment strategies (incl. ongoing advice)	32
Failure to oversee investment strategy or conduct proper analysis	30
Other (incl. unlicensed)	25
N/A (claim not available, ineligible, etc.)	24
Failure to implement advice or agreed actions	16
Unauthorised transactions	9
Grand Total	571*

* Claims that were active in any capacity during FY2025

7.10B.55(i)

The number of notifications under subsection 1069F(3) of the Act (about a sub-sector levy cap being exceeded (or further exceeded) during the levy period.

No notifications were required for this reporting period.

7.10B.55(j)

For each sub-sector the total amount of levy paid that was imposed by the Financial Services Compensation Scheme of Last Resort Levy Act 2023 across all persons for the levy period and the sub-sector.

	Pre-CSLR levy		FY2025 Levy Period (2nd Levy Period)	
	Imposed	Received	Imposed	Received
Licensed personal advice	233,596,391	233,865,641	18,562,058	18,333,690
Credit providers	290,812	291,145	1,497,769	1,489,399
Credit intermediaries	2,816,270	2,819,518	1,799,986	1,757,039
Securities dealers	4,154,327	4,159,102	2,287,887	2,279,494
Total	240,857,800	241,135,406	24,147,700	23,859,622

Received includes levy penalties imposed by ASIC

7.10B.55(k)

The number of determinations made under section 1069H of the Act for the levy period that:

7.10B.55(k)(i)

Under subsection 1069H(4) of the Act specify that levy needs to be imposed by subsection 8(3) of the Financial Services Compensation Scheme of Last Resort Levy Act 2023 (about a special levy for just the primary sub-sector).

No special levy has been required in this reporting period.

7.10.55(k)(ii)

Under subsection 1069H(5) of the Act, specify that levy needs to be imposed by section 9 of the Act (about special levy to be spread across several sub-sectors).

No special levy has been required in this reporting period.

7.10B.55(l)

For each determination referred to in (k):

7.10B.55(l)(i)

Details of the determination.

No special levy has been required in this reporting period.

7.10B.55(l)(ii)

Details about the levy paid as a result of the determination.

No special levy has been required in this reporting period.

“

We feel angry and devastated about the deliberate strategies and the negligent way we were treated. I can't believe how lucky we are to have been able to receive compensation from the CSLR. The capped amount is significantly less than what we lost but significantly more than what we ever thought we'd see again.”

Amelia, CSLR Claimant



Keith's experience

Keith is in his sixties, living on the Central Coast of NSW. He was the victim of bad advice and incorrect product information from a Financial Advisor.

After a redundancy in 2014, Keith sought advice from a financial firm because he had cash flow concerns and wanted to plan to ensure he had enough income as he approached retirement.

Keith considered himself a novice investor and placed a great deal of trust in the professionals who advised him to take out a loan to fund \$200,000 worth of investments.

"I was told I would receive a quarterly income off this investment, which I planned on using to help fund my daughter's education," said Keith.

Everything was going well, until Keith noticed that the quarterly payments stopped. He approached the firm's managing director for answers, to no avail. Keith decided to work with a solicitor in the hopes of a resolution but faced nothing but dead ends.

"I submitted a complaint with AFCA and eventually received a determination in my favour.

I pursued them for my award for around five years and spent several thousand on a solicitor," Keith said.

Keith had all but given up on ever seeing his money, and felt like all the time, effort and financial resources he'd poured into pursuing this matter had been wasted.

Fortunately, he became aware of the CSLR around the time it began operations, so he submitted a claim and was awarded his full determination amount plus interest.

"I think the CSLR is so important, especially for someone like me who is an unsophisticated investor and didn't realise I was being taken for a ride," Keith said.

I really hope that the industry keeps pushing for higher standards and that those doing the wrong thing are found out before more people lose money."

“

I think the CSLR is so important, especially for someone like me who is an unsophisticated investor and didn't realise I was being taken for a ride.

”

Harry's experience

Harry had his superannuation in an industry fund for decades, that all went downhill when he received an unsolicited 'cold call'.

**Name changed for privacy*

The caller rang on behalf of United Global Capital and suggested he transfer his super into a self-managed superannuation fund, and led him to believe that by doing so, he would retire with a higher balance.

Unfortunately, Harry was given bad advice, and his superannuation was invested against his goals and risk profile. As a result, Harry and his wife lost over \$360,000.

"I thought I was doing the right thing, but in hindsight, as we put the puzzle pieces together for our AFCA complaint, all the red flags became apparent," said Harry.

The CSLR found Harry eligible for compensation and he received \$150,000 in May 2025.

"We are incredibly grateful to receive the compensation, however deciding how to make these funds work for us so that we can retire with anything close to what we lost is something we're still working through," Harry explained.

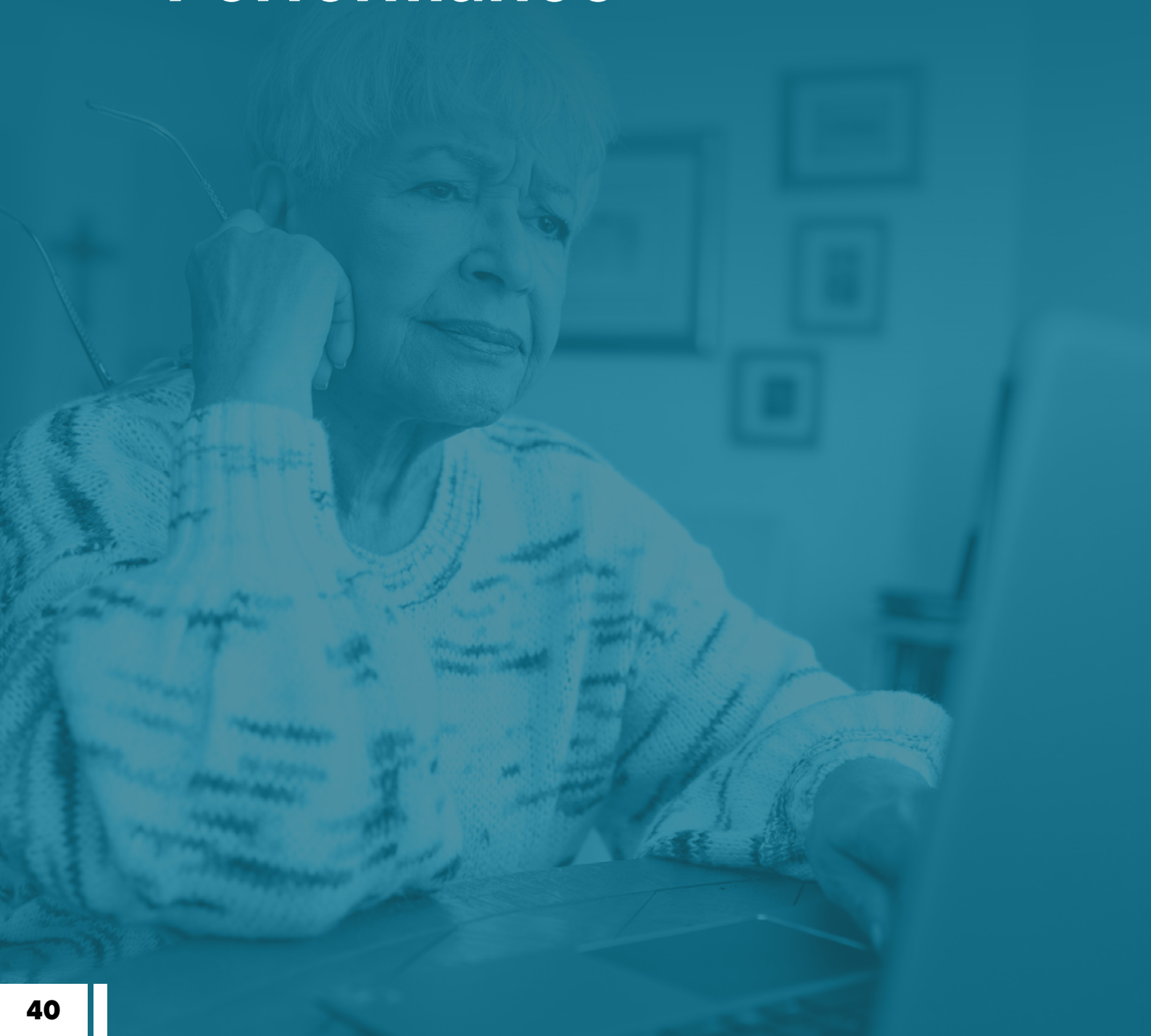
Despite having found a new financial adviser that they feel comfortable with, Harry and his wife say that placing trust in anyone to help manage their retirement savings has been very challenging after what they've been through.

“

We are incredibly grateful to receive the compensation, however deciding how to make these funds work for us so that we can retire with anything close to what we lost is something we're still working through.

”

Financial **Performance**



The Scheme's FY2025 financial performance is a combination of two levy periods, being pre-CSLR and the FY2025 annual levy.

The FY2025 annual levy totalled \$24.1m, including a \$1.7m capital reserve contribution.

During FY2025, the Scheme:

- Paid claimant compensation of \$48.3m, including \$37.3m of pre-CSLR compensation.
- Paid AFCA fees of \$6.3m
- Incurred CSLR administration expenses of \$4.3m
- Incurred ASIC administrative costs of \$1.3m
- Generated \$12.3m of interest income

The CSLR's administrative expenses totalled \$4.3m against the levy estimate of \$6.5m, with savings generated from:

- Materially lower AFCA determination volumes than estimated for pre-CSLR claims, resulting in a reduced claims processing cost for the CSLR, and
- Cost management and operational efficiencies.

On 30 June 2025, the CSLR held a provision for future claims and expenses of \$213m, consisting of:

- Pre-CSLR levy \$207m
- Annual levy FY2024 \$1.9m underspend in FY2024
- Annual levy FY2025 \$4.2m underspend in FY2025

The pre-CSLR balance is designated to pay CSLR claims and AFCA unpaid fees arising from complaints received by AFCA between 1 November 2018 and 7 September 2022.

The annual levy underspend for FY2024 and FY2025 will be reconciled and utilised for future levy costs.

Read the financial statements

Corporate **governance**



The ASX Corporate Governance Principles and Recommendations, 4th edition, sets the benchmark for a high standard of corporate governance in Australia. Although the CSLR is not listed on the ASX, we follow the principles to the extent they apply to us.

This section explains how we apply the ASX principles and recommendations.

Principle 1

Lay solid foundations for management and oversight:

The CSLR has adopted a Charter that governs its operations and outlines the responsibilities of the Board and senior management.

The role of the Board includes having the responsibility to:

- Oversee the competent and prudent operation and management of the CSLR in accordance with the Constitution;
- Ensure compliance with any relevant legislative requirements, conditions and directions applicable to the CSLR;
- Take reasonable steps to preserve its independence; and
- Take reasonable steps to ensure the transparency of the Company and the operations of the CSLR for all stakeholders.

The Board is responsible for the appointment of the CEO, the Company Secretary and the Scheme Actuary of the CSLR.



Principle 2

Structure the board to be effective and add value:

As required by the Corporations Act and the Constitution of the CSLR, the Board of the CSLR comprises:

- An independent chair appointed by the Australian Government;
- A person who is a director of AFCA; and
- A person who is a Fellow of the Institute of Actuaries Australia and has at least five years' experience in actuarial analysis.

The board appoints a independent Chief Executive Officer who manages the CSLR scheme on a day-to-day basis. The Directors of the CSLR at the end of the reporting period are:

Ms Jo-Anne Bloch – Independent Board Chair

Jo-Anne Bloch has 35 years of experience in a combination of executive and non-executive roles in commercial enterprise and industry associations spanning across the UK and Europe, the US and Australia.

She has extensive experience across the financial services industry, including superannuation and financial advice.

She has notably held various directorships including the Chair of Zurich Assure and Director of the Association of Superannuation Funds Australia and was previously the CEO and Director of the Financial Planning Association of Australia.

Jo-Anne is currently a Non-Executive Director of Avanteos Investments Limited.

Ms Delia Rickard – Non-Executive Director

Delia Rickard commenced as a Non-Executive Director on 1 January 2024.

Delia has over 30 years' experience working on behalf of consumers. Delia was Deputy Chair of the Australian Competition and Consumer Commission (ACCC) from 2012 to 2023. Previously, Delia held senior roles at the Australian Securities and Investments Commission (ASIC).

Delia is currently a director of the Australian Financial Complaints Authority (AFCA), a director of Financial Counselling Australia (FCA), a trustee of the Jan Pentland Foundation, a director of Super Consumers Australia, a director of The Australian Communications Consumer Action Network, a director of ID CARE, and chairs AHPRA's Cosmetic Surgery Oversight Group.

In 2011, Delia was awarded the Public Service Medal for her contribution to consumer protection and financial services.

Delia holds a Bachelor of Arts/Law from the University of NSW.

Kevin O’Sullivan – Non-Executive Director

Kevin O’Sullivan commenced as a Non-Executive Director on 10 January 2024.

Kevin has over 40 years in the financial services industry in Australia and Canada, most recently as CEO of UniSuper. His leadership was recognised when he was named the Fund Executive Association’s Fund Executive of the Year in 2020.

Previously, Kevin was Director, Actuarial and Benefits Consulting, with the Russell Investment Group for over two decades. This role involved advising some of Australia’s largest organisations.

Kevin is also a Non-Executive Director of the Trustee of Colonial First State and Chairman of Playfair Asset Management. He also sits on Deakin University’s Investment Committee and on the Advisory Board of the Conexus Institute. Kevin holds a Bachelor of Commerce from the University of Toronto and a Fellow of the Actuaries Institute of Australia.



L-R: Delia Rickard, CEO David Berry, Board Chair Jo-Anne Bloch and Kevin O’Sullivan.

Board member	Eligible to Attend	Attended	Chaired
Jo-Anne Bloch (Chair)	7	7	7
Delia Rickard	7	7	
Kevin O’Sullivan	7	7	

Principle 3

Install a culture of acting lawfully, ethically and responsibly:

Standards of behaviour expected of our Directors and employees are set out in:

- The Board Charter
- Our Code of Conduct

Principle 4

Safeguard the integrity of corporate reports:

The organisations' annual financial report is independently audited and reported publicly. It is published on the CSLR website.

Principle 5

Make timely and balanced disclosure:

This principle applies to companies that are subject to the ASX Listing Rule disclosure requirements and has no direct relevance to the CSLR. However, we are committed to open and transparent communication with our stakeholders.

Principle 6

Respect the rights of security holders:

As a public company limited by guarantee, we do not have shareholders. However, we are committed to respecting the rights of our stakeholders, particularly the financial firms that contribute in supporting the Scheme as well as the consumers who use our service.

Principle 7

Recognise and manage risk

The CSLR Board is responsible for overseeing risk management at the CSLR, with day-to-day responsibility being delegated to the CEO.

Risk management is integrated into all CSLR planning, business and implementation activities.

The CSLR's risk management policy and framework are reinforced with a positive risk culture that encourages considered and proactive risk management.

The Scheme has implemented a 'three lines of defence' governance model to identify, manage and monitor risk, under independent oversight by the Board.

This model comprises the CSLR functional units (1st line), the CSLR leadership team (2nd line), and independent assurance provided by external auditors (3rd line).

This includes ensuring that there is an annual review of risk policies and procedures as well as ongoing analysis that the CSLR has a sound system of risk management and internal controls in place to manage risk effectively.

Principle 8

Remunerate fairly and responsibly

The CSLR Board oversees the remuneration of the Directors and the CEO. The Board has delegated authority to the CEO to determine remuneration for the CSLR staff.

No employee of the CSLR receives incentive payments, including annual bonuses. The remaining aspects of this principle apply to companies subject to the ASX Listing Rules and, as such, have no relevance to the CSLR.

The remuneration of Directors for their services is reviewed annually, with external benchmarks used periodically to inform and support the assessment process.



Eric and Sarah's experience

Retirees Eric and Sarah were victims of poor financial advice related to their self-managed superannuation fund (SMSF), resulting in them losing over \$130,000 in retirement savings.

The couple trusted their financial adviser, describing them as “genuine” and relying on their judgment—especially since the adviser had recommended the same product to their own family.

Eric and Sarah began to observe significant losses relating to certain products in their SMSF and asked the adviser to sell.

“Despite us expressing our wishes to sell certain investments, we were pressured to hold on to them,” explained Sarah.

After months of back and forth with the adviser, the couple lodged a complaint with the Australian Financial Complaints Authority (AFCA) and were issued a determination in their favour. The determination found that the investment products they had been recommended were far too aggressive for their risk profile.

Eric and Sarah were then able to lodge a claim with the CSLR.

“We can’t express how grateful we are to the CSLR,” said Sarah.

After many sleepless nights, a huge weight was lifted off our shoulders, and we were finally able to start enjoying our retirement again.”

“

Receiving compensation from the CSLR relieved us of so much stress and has helped us regain a level of confidence in working with a financial adviser moving forward.

”



