

AMP announces new contemporary advice service model

AMP Limited today announced the introduction of a new service model with its aligned advice network, marking a new era for financial advice at AMP.

The new model further prioritises clients with AMP providing services to advisers which support the delivery of quality advice, improve practice efficiency and help advisers grow their businesses.

Developed in collaboration with AMP adviser associations, the new model will be progressively introduced, giving advisers increased choice, flexibility, and transparency with how they partner with AMP and how they continue to operate their business.

The contemporary approach includes three key components:

- A new service proposition and fee model for advice practices, which has been competitively benchmarked against the industry and reflects the services offered. It includes a set of core services as well as user pay services. The new fee model will be phased in from 1 January 2022 to 1 January 2023.
- The release of institutional ownership of clients from AMP Financial Planning to advisers, with the ability to transfer clients out of the AMP network. This change will take effect from 1 January 2022.
- The conclusion of client register buy back arrangements from 31 December 2021, with practice principals able to take advantage of current terms remaining in place until this date.

While further advice practice exits are anticipated before the conclusion of buy back arrangements, AMP's current expectation is these commitments will be covered by the existing provisions and capital allowances as part of its Buyer of Last Resort program.

Managing Director Advice, Matt Lawler said:

"These changes represent a new value proposition to our financial advisers, one that is centred around us being a professional services provider to quality financial advice practices. Today's announcement is another major step in the transformation of AMP's advice business. It is a new era for financial advice at AMP.

"Over the past few years we have worked with our financial adviser network to complete significant reforms, build robust and modern processes and are strengthening our compliance regime. With a lot of that hard work now embedded, it is the right time for AMP and our financial advisers to look to the future.

"We will be providing access to resources, technology and support to fulfil our two core promises to our financial advisers: to assist them to deliver a great client experience; and to support them manage and grow their business.

"The new model releases institutional ownership. Buyback arrangements will also cease, with advisers having between now and the end of the year to make the decision to leave the network under their existing arrangements.

“AMP is committed to the future of advice and building a stronger financial advice profession together. Importantly these changes recognise that the financial advisers should be in control of their business. It is their business, it is their clients and with our support we are determined to be working with our financial advisers long into the future.”

Craig Armstrong, Chair of The Advisers Association (TAA)¹ Board said:

“TAA has worked with the new management team in AMP Australia to progress the new services model for our members. We believe this model creates a more sustainable business model for our members staying with AMP and supports the shift to the professionalisation of the advice industry.

“Our members will now be able to focus on what they do best – delivering quality advice to their clients as well as delivering more advice to more Australians. TAA is pleased with the collaborative way that the new AMP Australia management team engaged in this process.”

Media enquiries

AMP Australia

Brett Zarb

Mobile: +61 417 256 563

Adrian Howard

Mobile: +61 413 184 488

AMP Limited

Mark Roberts

Mobile: +61 466 328 581

Investor enquiries

Jason Bounassif

Phone: +61 2 9257 9684

Michael Vercoe

Phone: +61 2 9257 4244

Authorised for release by the Market Disclosure Committee.

¹ The Adviser Association represents both AMP Financial Planning and Hillross.

AMP LIMITED

33 Alfred Street, Sydney NSW 2000 Australia
ABN 49 079 354 519

CORPORATE AFFAIRS

T 02 9257 6127

E media@amp.com.au

W AMP.com.au/media

 AMP_AU