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Page 1 of 1

 back

# Wealth manager IOOF hit with class-action lawsuit

## FINANCIAL SERVICES

Australia's second-largest wealth manager, IOOF Holdings, was sued on Friday by shareholders who alleged the company engaged in deceptive conduct and breached sharemarket disclosure obligations.

The class-action lawsuit is the ninth against a major financial firm since the banking royal commission last year uncovered widespread misconduct in Australia's financial system, including charging customers fees for no service and deception of regulators.

The suit was filed in the NSW Supreme Court in Sydney by law firm Quinn Emmanuel.

In a statement, the firm said alleged management impropriety drew regulatory attention, which hit the share price. It did not say what shareholders were asking for as compensation. IOOF had no immediate comment.

The wealth manager is contesting a move in December by the Aus-

tralian Prudential Regulation Authority (APRA) to disqualify five top IOOF executives, alleging they failed to act in customers' interests.

APRA claims it has identified three occasions when units of IOOF had used money belonging to pension fund customers to compensate them for losses caused by the company.

IOOF said in December that the allegations were misconceived and that it would vigorously defend against them. It added that it had already addressed or was addressing APRA's other concerns.

The regulator's move, which came in the wake of IOOF's appearance at the royal commission, knocked 40 per cent from the firm's share price. The stock has since recouped most of those losses.

"The reckoning that began at the royal commission now goes to the next stage, with the filing of this class action," Quinn Emmanuel partner Damian Scattini said in a statement. Reuters