

8 June 2022

RACQ makes significant investment into systems and processes to improve member outcomes

RACQ is undertaking a significant investment in its systems and processes that will deliver improved outcomes for members and result in stronger risk management, simplified products, and easier processes for its people.

CEO David Carter said the investment follows RACQ self-reporting a regulatory breach to ASIC.

“Prior to ASIC announcing its industry-wide Pricing Promises Review, RACQ had started an internal review which identified a Product Disclosure Statement matter requiring further investigation,” Mr Carter said.

“KPMG was initially appointed to provide an independent assessment of RACQ’s pricing mechanisms and their scope was subsequently expanded to include ASIC’s review.

“RACQ’s investigation into the initial matter discovered some of the wording in our Product Disclosure Statements was inadequate in describing how several of our discounts were applied to premiums. However, we are confident that in most cases, the premiums were calculated and charged to our members as intended.

“The disclosure statements were corrected earlier this year to address the inconsistency.”

KPMG’s review also found in a smaller number of cases, some members may not have received the full discounts they were entitled to.

“RACQ has started a remediation program which will result in impacted members receiving refunds.

“While this will take some time, as we work through the process, we will contact those members who have been impacted,” Mr Carter said.

RACQ board Chair Elizabeth Jameson said these reviews highlighted that over time our systems and processes were not as strong as they should have been, and we should have identified this sooner.

“The increased investment in risk management, compliance and oversight will also give RACQ the flexibility and agility to meet the evolving needs of members quickly and efficiently, positioning the organisation well for the future.

RACQ is Queensland's largest club and peak independent motoring organisation. We were formed in 1905 to represent the interests of the State's first motorists and today campaign for safer drivers, vehicles and roads on behalf of more than 1.7 million members who own the Club. We offer those members a vast range of motoring, insurance, banking, entertainment and travel services and benefits, and each year respond to more than a million calls for roadside assistance.

Media Release

RACQ

“As a member-owned Club, we take our responsibilities and obligations seriously and will use this opportunity to ensure our members are better served as we move forward.

“We apologise for these errors, as they are not in keeping with our high standards and values.

“The remediation program will be independently monitored by an external party supporting our open, fair and transparent approach to resolving this matter for our members.

“RACQ remains financially strong to deliver on its commitments and support its ongoing operations to serve members,” she said.

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