



McGrathNicol

8 April 2025

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Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers Appointed)
ACN 135 024 412
(Brite Advisors)

Update: AFCA's Notice of Intention to Expel

We refer to our previous updates and orders of the Federal Court of Australia.

On 21 March 2025, Brite Advisors received a notice from the Australian Financial Complaints Authority (**AFCA**) advising that the AFCA Board are considering expelling Brite Advisors from AFCA membership on 13 May 2025. Brite Advisors has until 15 April 2025 to provide a written submissions outlining the reasons why they believe Brite Advisors should not be expelled.

The Receivers understand that if Brite Advisors are expelled from AFCA membership, AFCA would not be able to consider any complaint by Beneficiaries or any other person in respect of Brite Advisors' conduct made after the date of expulsion. An AFCA determination in favour of the complaint with compensation awarded is a pre-requisite to any person's ability to raise a claim with Australia's Compensation Scheme of Last Resort (**CSLR**).

This means that, if Brite Advisors is expelled from AFCA membership, Beneficiaries who may otherwise be eligible to raise a claim with the CSLR would be prevented from doing so.

Since receiving the notice from AFCA, the Receivers have:

- engaged with representatives from AFCA, CSLR and the Australian Securities and Investments Commission (**ASIC**) to raise their concerns and understand the implications of the proposed expulsion; and
- commenced working with their legal advisers to prepare written submissions to object to the proposal to expel Brite Advisors from AFCA membership.

The Receivers will provide an update in due course. In the meantime, a factsheet is enclosed, outlining the eligibility criteria to make an AFCA complaint, together with information regarding steps required to lodge a claim with the CSLR.

Should you have any queries, please contact the Receivers at briteadvisors@mcgrathnicol.com.

Yours faithfully

Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers Appointed)

Linda Smith
Receiver and Liquidator

Enclosure:

- AFCA/CSLR factsheet



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AFCA / CSLR factsheet

1 AFCA complaints - eligibility criteria

AFCA will consider a wide range of complaints from consumers and small business about financial firms. In order to make a complaint:

- the complainant must be eligible to complain;
- the complaint needs to be about a financial firm that is an AFCA member, including its employees and agents;
- there must be sufficient connection to Australia;
- the complaint must be made within relevant time limits; and
- the complaint cannot be excluded by AFCA's Rules.

More information including how to lodge a claim and eligibility can be located on AFCA's webpage, link below.

[AFCA's Rules | Australian Financial Complaints Authority \(AFCA\)](#)

The Receivers consider certain Beneficiaries may be eligible to make an AFCA complaint and recommend that Beneficiaries seek their own independent advice regarding their eligibility.

2 Australia's CSLR - eligibility criteria

The CSLR provides compensation of up to AUD\$150,000 to eligible consumers who have an unpaid determination from AFCA relating to the following types of financial services:

- (i) Personal financial advice provided to retail clients on relevant financial products.
- (ii) Dealing in securities for retail clients (but not issuing securities).
- (iii) Providing credit (where a financial firm provides funds).
- (iv) Arranging credit (where someone like a mortgage or finance broker arranges funds).

It is important to note that the AFCA complaint process must first be successfully completed before a claim can be lodged with the CSLR.

More information including how to lodge a claim can be found on the CSLR website, link: [CSLR website](#)

Beneficiaries should seek their own independent advice regarding their eligibility before making a claim.