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MEDIA RELEASE- LEAD GENERATION

Scott Heathwood

President of the Institute of Financial Professionals Australia

There's been a lot of commentary over the weekend linking "lead generation" to the failures of Shield and First Guardian.

Let's be clear: that narrative is both convenient and wrong.

What happened in those cases was not a failure of advertising or client acquisition. It was an integrated scam—a closed loop where lead generation, advice, product manufacturing and capital flows were all aligned to serve one outcome: moving client money into a predetermined destination.

That's the issue.

We should not allow a serious case of alleged fraud to be used to redefine legitimate, technologically driven, opt-in marketing as somehow equivalent to cold calling or high-pressure sales tactics.

They are not the same thing, and many advisers generate leads using social media, competitions, and their websites to prospect for new business. Indeed, organisations operating in the digital advice space, not only use technology and social media but the entire prospect journey is technology driven.

Cold calling is already illegal. High-pressure selling is unacceptable. And where either occurs, regulators should act decisively.

But opt-in lead generation, where a consumer responds to advertising and chooses to engage, is not only lawful, it is a fundamental part of a competitive and accessible advice market. Blurring these lines risks something far more serious: restricting how Australians discover and access financial advice.



Most advisers operating in this space have refined their practices so that initial inquiries can be dealt with by general advisers or triaged by customer service representatives. It is only when a person is seeking personal advice that they are introduced to an adviser, who curates their financial plan.

More importantly, it distracts from the real lesson. As highlighted in recent analysis, the problem was the conflicted, vertically integrated structure—where control of the client journey, select advisers, responsible managers, trustees, development managers & lenders, and the research house were complicit by omission, in the product failure.

That is where regulatory focus should remain.

As President of IFPA, our position is clear:

- Consumers have the right to seek advice.
- Advisers have the right to communicate their services. And,
- markets function best when both are allowed to operate transparently and within the law.

We should focus on eliminating misconduct—not dismantling legitimate business practices in the process.

Media Contact:

Scott Heathwood

President

M 0416 100 395

A Level 14, 330 Collins Street, Melbourne 3000

www.ifpa.com.au