

UNCLAIMED MONEY

INDUSTRY REPORT



Created by

Unclaimed Money
Association of Australia

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Background Information Relating To The Unrecovered Money Industry

The unrecovered funds industry in Australia is a young, dynamic and growing niche industry, that holds value for key stakeholders – namely, refund agents currently valued at over \$24 billion. According to the Australian Securities and Investment Commission (ASIC), \$992 million is in federal custody from lost bank accounts, shares, investments and life insurance policies as at June 2016; additionally \$19.2 billion in lost superannuation accounts for the same period .



The funds are administered under various Federal & State ACTs across Australian states and territories- the complexity of the practices involved the collection, administration and refund of the lost funds and assets has created an incredible opportunity for individuals who are professional, ethical and enterprising to work with the holding authorities to assist in the refund process of the billions of dollars waiting to be returned to their owner.



This creates a synergy of perfect whereby the Agent is assisting all parties involved- on one side the Refund Agent assists the holding Authorities fulfill their legal mandate under the relevant federal & state ACTs and on the other side they assist their customer (the money owner) to be refunded the monies owed to them.



Within this process the Agent earns a fee out of each amount he /she assists in refunding thus making a great income doing Something of real service and value. It is a Win/Win/Win!

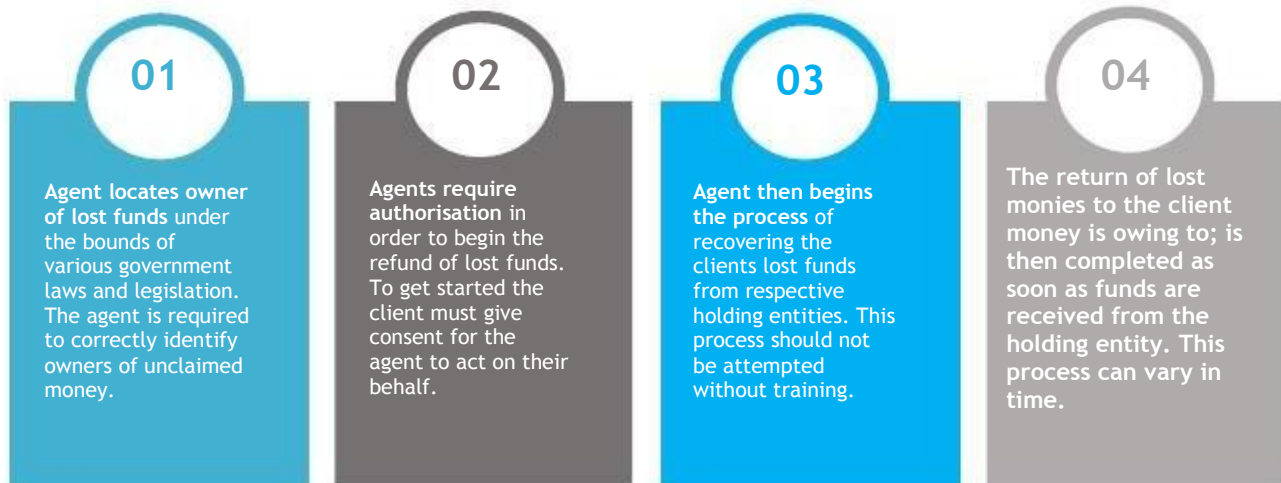


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The legal framework for managing lost & unrecovered money & Assets - Australia

Lost and unrecovered funds remittance and refund processes are highly regulated under the Australian legal Framework. For example, under Australian legislation authorised deposit taking institutions such as banks, are governed by the Banking Act and are required to revert all unrecovered funds in accordance to Australian legislation for refund. Life insurance companies and benefit fund friendly societies, adhere to the Life Insurance Act, and are required by law to revert all lost and unrecovered funds and assets for refund to its owner annually. The various States or territories also have laws which govern and administer lost or unrecovered money. Companies with unclaimed money/property, are required by the Corporations Act.

These are a set of examples as to the various legal frameworks that govern what is a young, growing and very dynamic multi-billion-dollar industry.



The unrecovered funds industry in Australia is a young, dynamic and growing niche industry, that holds huge value for key stakeholders – namely, refund agents currently valued at over \$24 billion in lost money, estates and financial instruments. According to the Australian Securities and Investment Commission (ASIC), \$792 million is in federal custody in from lost bank accounts, shares, investments and life insurance policies as at June 2016 additionally \$19.2 billion in lost and unclaimed superannuation accounts for the same period .

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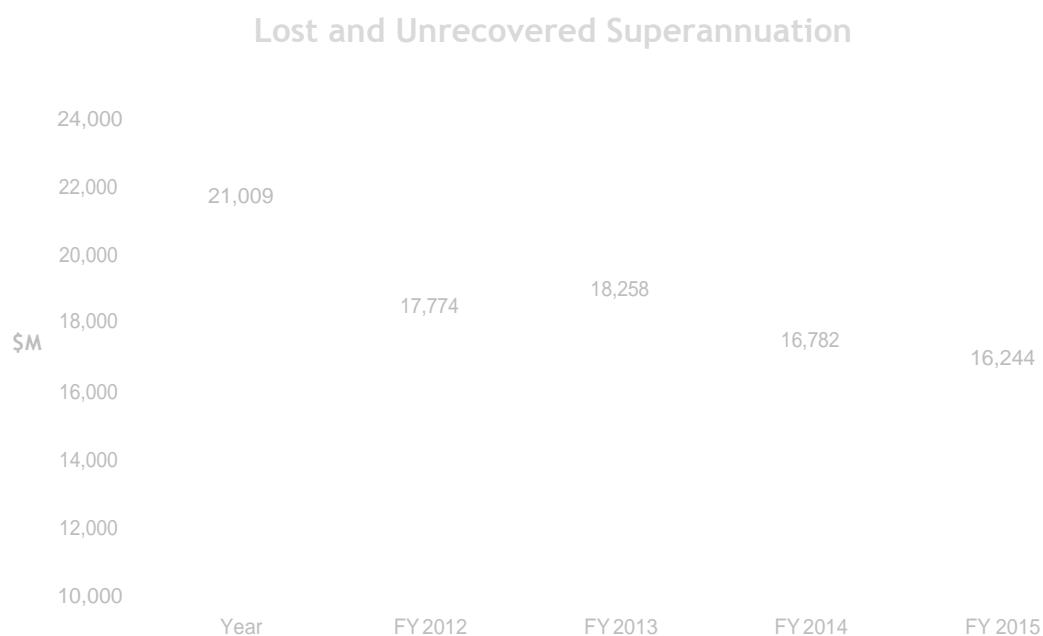
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Trend in Total Value of Unclaimed Money

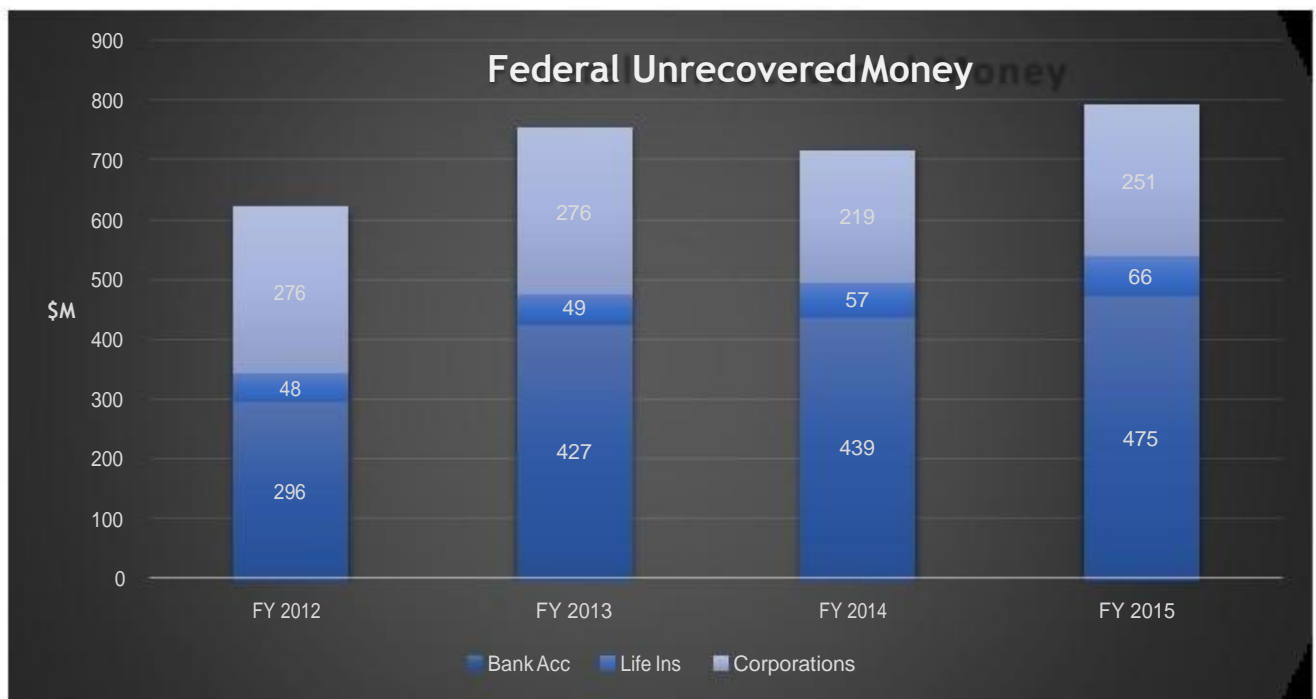
As illustrated in table 1, lost and unclaimed superannuation funds value as administered by the ATO have been declining over the last 5 years. However, the total value for the year ending 2016 is still a considerable \$19.2 billion.

Table 1





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As illustrated in table 2 above, unrecovered money relating to bank accounts, life insurance policies and corporation payments have increased by 27.7% since 2012. Of greater significance is the increase of dormant bank account money from \$296m in 2012 to \$475m in 2015, an increase of 60%.

Unrecovered Money awareness

It is clear from the level of media articles (see below), growth in the Refund industry and an increase in education and general public awareness by the Government and Industry bodies such as the Unclaimed Money Association of Australia (UMAA), lost and unclaimed superannuation values have declined considerably.



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In The News: Media Articles

Super the big one

From the campaign AustralianSuper ran late last year more than 1000 members have been reunited with just over \$13 million in lost super.

AustralianSuper fund member Susannah Bourke was pleasantly surprised to receive a letter from her fund saying the fund had found some long-lost super money.

Bourke worked part-time jobs while at university. When she left Australia 15 years ago to work in London, she thought she rolled all her super accounts into one fund and did not think any more of it.

Bourke, who is the head of investor relations at a property fund, says, at that time, it was time consuming to roll accounts into one. She says it would have been easy to overlook one or two of her accounts.

"It's almost like free money, because it's money that I did not know I had," she says.

"My fund did all of the leg work for me," she says. It is not a huge amount of money, just a couple of thousand dollars, but with compounded interest over a long time, until retirement, every little bit helps, Bourke says.

Regardless of super funds' efforts to re-unite lost super with its owners, funds are required to transfer lost money to the Tax Office if the accounts have been inactive, if the owner cannot be contacted and if there is less than \$2000 in the account.

That threshold will increase to \$4000 from 2016 and to \$8000 from the start of 2017.

By having the money with the Tax Office there is less chance of small balances being eroded by fees and charges.

Some funds are known to charge fees of more than 5 per cent a year on inactive accounts.

Lost super money is invested in very low-risk and low-returning investments. And the fees and charges erode the account balance over time.

By contrast, most large, well-run funds have annual fees of about 1 per cent.

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I RECKON it's nothing short of amazing that there is a \$677 million pool of unclaimed money sitting in government coffers. What's even more remarkable is that the mountain of lost money has grown by more than \$40 million from 2011.

As we head into the festive season, a bit of extra cash would come in handy. So it's worth checking to see if some of the unclaimed money belongs to you. Last year a total of \$56 million was reunited with its rightful owners.

The 'lost' money I'm referring to can be a forgotten bank account, shares or a matured life insurance policy. And it's not nickel and dime stuff either. As hard as it is to believe, there is one unclaimed Commonwealth Bank account in NSW worth a handy \$811,677. A Westpac account in Victoria contains \$358,677 waiting to be claimed.

These examples are just the tip of the iceberg. All up there is \$677 million in lost money spread across 1,008,253 different account holders. Some of it could be yours.

You could have unclaimed money if you've moved without leaving a forwarding address with your financial institution, or if you haven't made a transaction on a cheque or savings account for over seven years. Or you may have a life insurance policy that you stopped making payments on. You could be owed money from a deceased estate or there may be dividends owed to you on forgotten shares.

Cyclist killed in fire remembered by car

Mosque-goers allow day

Ipswich kids get res

Former Irish leader women



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DECEASED ESTATES

You could be the executor of a will you didn't know about. This can happen if the relevant forms and documents go missing and families don't have all their paperwork in the right place.

State governments hold unclaimed money from deceased estates and can be contacted via the list below.

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MORE LOST CASH

You may also have lost money through rent and rental bonds, overpayments, trust money, premiums, royalties and proceeds of sale owing to you. All these are held with state governments. If the state revenue office isn't responsible for the particular type of money you think you're owed, it can point you to the relevant agency. You can find a list of these authorities on the [MoneySmart website](#).

DON'T GET CAUGHT OUT

There are any number of companies out there that will help you claim money that you're entitled to — for a hefty fee.

But with these tools you can claim the full amount yourself without paying anyone for the privilege.

It's your money, so why not take the time to get in touch with the relevant government organisation and follow the processes?

And if you're trying to track something down but not having any luck, don't forget you can also go directly to the relevant financial institution (if you know it), who'll be able to assist.

The Role of Money Refund Agents

The unclaimed monies industry has been evolving over the last decade and the Refund Agent profession has evolved as a result. Most leading refund Agents are professionally trained and are members of UMAA.

So what does a Refund Agents do? Most people have no idea they have any money owing to them. In short, Refund agents connect lost funds to their rightful owners ensuring that individuals are made aware of funds that may be owed to them and assisting them in the claim process. Of course, it's a lot more complicated than that. Amounts can range from as little as 5 cents to as much as \$500,000 plus.



General Refund Process

- Tracking down potential owners
 - Multiple databases are searched and analyzed to determine if a person has any unrecovered funds or assets owing.
- Verifying ownership
 - Once money/asset is identified, a strict proof of identity and verification process is followed. This includes certification of all identity documents such as birth certificates, marriage certificates, passports etc.
- Recovering the lost money/asset.
 - Depending on where the lost/unclaimed money is found, a formal process with the Department or Agency is followed and all paperwork is completed for the client ensuring compliance with all rules and regulations.
- Remitting money to the rightful owners with full documentation
 - Upon receiving the funds, remitting the funds and all proof of entitlement is sent to the client.
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