



**Mob Strong  
Debt Help**



**VALS**



**ican**

**CHOICE**



Thursday 17 March 2022

## **Failure in Government policy sees First Nations peoples lose millions in funeral fund collapse**

A coalition of community organisations which work with First Nations consumers and consumer groups are calling on the Australian Government to step in to assist policyholders who have been devastated by the sudden collapse of Aboriginal Community Benefit Fund, which traded as Youpla.

Around 15,000 First Nations policyholders and their families have been left unable to pay for their funerals and sorry business after three of Youpla's four funds were placed into liquidation on 11 March, 2022.

It follows the earlier placement of Aboriginal Community Benefit Fund No 2 Pty Ltd (ACBF 2) into liquidation on 2 March, 2022.

Financial Rights Legal Centre's Aboriginal and Torres Strait Islander led Mob Strong Debt Help service, the Indigenous Consumer Assistance Network, Victorian Aboriginal Legal Service, Consumer Action Koori Help, Bush Money Mob, CHOICE and Financial Counselling Australia have united to call on the Australian Government to protect the victims of this atrocious failure.

Many of the affected policy holders will not yet even know that they have lost everything.

Community organisations have been overwhelmed by thousands of distressed callers. Policyholders can keep up with the latest updates about Youpla via Mob Strong Debt Help's [webpage](#) and [Facebook](#).

Mob Strong Debt Help Solicitor Mark Holden said the Australian Government should, as a matter of urgency, take measures to allow policyholders who have died since the collapse of Youpla or who pass away in coming months, to depart with dignity and allow sorry business to

be observed respectfully, pending permanent arrangements for the redress of all affected policyholders.

“First Nations policyholders have sacrificed and worked hard to put money aside for sorry business and have now been left with the risk of unimaginable intergenerational debt as a result of Youpla’s inability to follow through on its promise,” Mr Holden said.

“They deserve to know how this has happened and why they have lost their right to funeral benefits that many people have been paying for decades.”

Mr Holden said the Australian Government was on notice for a long time of allegations that Youpla was misleading disadvantaged consumers with clever, misleading sales practices long before they were revealed at the Banking Royal Commission in 2018.

“Youpla’s conduct has continued in plain sight for decades,” Mr Holden said. “Youpla's practices were exposed at the Banking Royal Commission, where Commissioner Kenneth Hayne noted that First Nations people, especially those living in regional and remote communities, were sold policies of little value to them, through predatory sales tactics.

“The Australian Financial Complaints Authority also has found consistently that First Nations consumers were deceived into thinking that they were buying into a financial product run by and for the benefit of Aboriginal people.

“It’s time for the Australian Government to end the heart-breaking consequences of this appalling mistreatment of First Nations peoples.”

#### **Quotes from:**

#### **The Indigenous Consumer Assistance Network (ICAN)**

“This funeral fund deliberately went out and exploited Indigenous communities, and should be held accountable,” Kuku Yalanji Elder and ICAN Director Daphne Naden said.

“When is the government going to stand up and support us, like other Australians? It's sad that some people are so rotten that they do these things and that the government allows it.”

#### **Victorian Aboriginal Legal Service**

“Youpla preyed on the community’s financial vulnerability around sorry business and used fear and misinformation to sell their poor value products,” Chief Executive Officer Nerita Waight said.

“The Australian Government need to cover the losses suffered by Aboriginal and Torres Strait Islander people who had a Youpla policy. The Government have responsibility for regulating the industry and enforcing the rules. The Government failed in their responsibility, and they should make it right. VALS is working hard to ensure sure that happens.”

## **Bush Money Mob, Broome**

“This is the most traumatic consumer ripoff of Indigenous people we've ever seen in the Kimberley, Pilbara or East Arnhem Land,” Bush Money Mob, Broome Managing Director Alan Gray said.

“The Federal Government has known about this scandal since at least 1992. Treasurer Frydenberg needs to establish a Fund to pay for funerals and refunds.”

## **Consumer Action Legal Centre**

“This shameful situation has been made worse by a Government that ignored the problem for years, and has failed in its duty of oversight and regulation,” Samantha Rudolph, Aboriginal Policy Officer, Consumer Action Legal Centre said.

“First Nations communities all over Australia have been exploited and their savings lost, there must be redress and compensation for the terrible harm that has been caused by a problem clearly identified in the Banking Royal Commission.”

## **Financial Counselling Australia**

“Financial counsellors are already hearing from really traumatised people who have saved for decades for their funerals but have now lost everything,” Financial Counselling Australia Financial Capability Coordinator Lynda Edwards said.

“This is a huge disaster for First Nations people. They deserve access to compensation to alleviate the pressure and costs of funerals for community.”

## **CHOICE**

“CHOICE is supporting calls by First Nations organisations for government intervention because it has been obvious for years that the ACBF was misleading consumers and tricking them into paying for funeral policies that offered little value,” said CHOICE Chief Executive Officer Alan Kirkland.

“This is one of the worst failures of regulation that we've seen in decades of work on behalf of consumers. The government allowed this disaster to unfold. It has a moral obligation to make it right.”

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## **Background**

Sorry Business (funerals and related cultural activities) is of special, cultural significance to Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander communities appear to have been disproportionately harmed by funeral policies, particularly those offered by the Aboriginal Community Benefit Fund now known as Youpla.

The Youpla Group (formerly ACBF Group Holdings Pty Ltd) comprises four funeral contribution funds:

- The Aboriginal Community Benefit Fund (Fund No. 1) – issued by The Aboriginal Community Benefit Fund Pty Limited
- Aboriginal Community Benefit Fund No 2– issued by Aboriginal Community Benefit Fund No 2 Pty Ltd (ACBF 2) (in liquidation)
- Aboriginal Community Funeral Plan (Fund No. 3 or ACF Plan) – issued by ACBF Funeral Plans Pty Ltd
- Community Funeral Plans (Fund No. 4 or ACBF Community) – issued by Community Funeral Plans Pty Ltd.

Funeral policies are often of limited value. Payout amounts are often small and there are high rates of cancellations.

ACBF, which later traded as Youpla, historically was not Aboriginal owned or managed. For decades, it sold funeral insurance and funeral expenses policies marketed solely to Aboriginal and Torres Strait Islander consumers through unsolicited sales techniques in the Aboriginal and Torres Strait Islander community.

It used the trading name 'Aboriginal Community Benefit Fund', Aboriginal sales staff and Aboriginal motifs in their marketing to appeal to Aboriginal and Torres Strait Islander consumers.

Following the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry's recommendation, the Australian Government removed the regulatory

loophole which enabled funeral expenses products to avoid regulation under the Corporations Act.