ASIC Probe Highlights Risks in Private Credit Sector, But Trusted Non-Bank Lenders Still Offer Opportunity

ASIC's investigations into private credit firms expose dangers for investors. Archer Wealth says strong governance keeps private credit safe and rewarding.

Gee Taggar

SYDNEY, AUSTRALIA, September 29, 2025 /EINPresswire.com/ -- Australia's private credit market is booming, attracting billions as investors hunt for yield and diversification. But the industry's rapid growth has drawn the attention of the Australian Securities & Investments Commission (ASIC), which has recently stepped in with stop orders, warnings and probes.

According to non-bank lender Archer Wealth, this is not a sign to abandon private credit but rather a call to work with proven, well-run lenders who combine speed and flexibility with rigorous governance.

> The rapid growth in private credit is exciting, but with weak oversight, investors and brokers can face severe consequences."
>
> *Gee Taggar, Founder & Managing Director, Archer Wealth*

Regulatory Spotlight: Caution Without Panic

ASIC has made headlines in 2025 by intervening in poorly governed credit products. La Trobe Financial temporarily faced stop orders on several investment accounts after regulators questioned risk disclosures and investor targeting.

Elsewhere, the collapse of funds such as Shield Master Fund and First Guardian left thousands of Australians locked out of their money and forced Macquarie to repay $321 million to affected investors. Other players like GEMI Capital have entered administration amid funding stress and transparency concerns.

These actions show regulators are serious about protecting investors , especially retail participants entering what was once a wholesale-only space.

“These headlines shouldn’t scare people away from private credit,” said Gee Taggar, Founder & Managing Director of Archer Wealth. “They’re a reminder that not all lenders are created equal. Disciplined operators with strong credit processes, transparency and a proven track record can deliver excellent outcomes for both brokers and investors.”

Why Private Credit Still Matters

Despite the headlines, private credit remains one of the most attractive fixed-income alternatives for Australians:

- Strong returns — Investors can earn high single to low double-digit annualised yields, typically secured by real assets such as property or business cash flow.
- Diversification — Returns are less correlated to public markets, helping smooth portfolios.
- Economic impact — Private lenders fund developers, SMEs and entrepreneurs who are underserved by banks due to tighter APRA rules and stricter credit appetite.

With banks retreating from some segments of business and property lending, private credit fills a vital gap — but only when executed responsibly.

How Archer Wealth Stands Apart

Archer Wealth says the current regulatory heat validates the approach it has followed since day one: speed without shortcuts.

- Deep Credit Expertise — Every deal is underwritten by a team with decades of combined banking and non-bank experience. Loans are secured by real assets and sized conservatively against verifiable valuations.
- Full Transparency — Investors and brokers see fee structures, loan performance metrics and risk disclosures clearly.
- Ethics Before Earnings — Archer Wealth refuses to chase yield by loosening standards or hiding risk. The company’s culture centres on “people before profits.”
- Regulatory Alignment — Compliance with ASIC, AFSL and responsible lending obligations is baked into every product design. Archer Wealth welcomes increased oversight because it raises the bar across the industry.
- Proven Track Record — From start-up to more than $500 million in settled loans, the firm has delivered strong performance while maintaining margin discipline.

“Speed and certainty shouldn’t mean cutting corners,” Taggar added. “We’ve built Archer Wealth to combine the agility borrowers want with the governance and transparency investors deserve.”

Tips for Brokers and Investors Entering Private Credit

1. Verify licensing and compliance — Ensure the lender holds the right AFSL/ACL credentials and publishes clear Target Market Determinations (TMDs).
2. Demand data — Ask for valuations, borrower history, and portfolio performance before committing funds or recommending a product.
3. Check governance — Look for independent oversight and robust credit committee processes.
4. Avoid “too good to be true” offers — Ultra-high LVRs, tiny fees and vague disclosure are red flags.
5. Prioritise relationship lenders — Firms that work closely with brokers and communicate clearly in complex scenarios help protect both clients and reputations.

The Bottom Line

Private credit’s rapid rise has outpaced some players’ governance — and ASIC’s response is a wake-up call. But the sector remains valuable when investors and brokers partner with disciplined, transparent, well-regulated lenders.

“Private credit isn’t going away,” Taggar said. “But it’s maturing. Those who choose carefully and work with lenders who put governance and people first, can still enjoy excellent returns while supporting Australia’s business engine.”

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