



ican

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Indigenous Consumer Assistance Network LTD

ICAN Update

The Queensland Office of Fair Trading held an Indigenous Consumer Workshop in Brisbane last month. ICAN highlighted regulatory partnership successes and the need for more resources to be put into the Indigenous consumer sector. The Australian Securities and Investments Commission, Australian Competition and Consumer Commission and Queensland Legal Aid also presented at the forum.

ICAN staff, Carmen Daniels and David Yorkston attended the annual Financial Counsellors Association of Queensland (FCAQ) conference in March. The conference provides an opportunity for Industry professional development and networking. ICAN highlighted at the conference the need for more Indigenous financial counsellors in the sector, as current numbers are extremely low.

ICAN has been hearing a lot of complaints from our clients lately about their banks not assisting them to cancel direct debits when asked. This can be really frustrating for people, who can be made to feel that they have no control over their bank accounts. Consumers have a right to cancel direct debits that are being made from their transaction accounts, and it appears that some banking staff are not aware, or properly trained to assist them.

There is a Code of Banking Practice in place which all major banks must comply with, and if they do not they may be investigated by the Financial Services Ombudsman or other regulators. If your bank or financial institution does not assist you with your request you can call ICAN 1300 369 878 or the Financial Services Ombudsman on 1300 780808, or get some more info by [clicking here](#).



Dave's Dollars

How was your Easter? Hope you all enjoyed it. As for me, I took the family out camping and had a wonderful time. A bit wet on the first night but perfect after that. I can blame my mate for not putting up my tent properly that's why we got wet on the first night (hahaha). I was gonna talk about telemarketing, but wait, my "Wow" adventure is not over yet, so I decided that telemarketing can come another month.

As you are aware about my purchases at 'Wow' last month, I now have a credit card to the limit of \$5000. Remember I was approved to the



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limit of \$5000? But I only purchased to \$2400, what I think they have done is given me this credit card up to the total of \$5000 deducting the \$2400 leaving an available balance of \$2600.

When I got this card I started rubbing my hands together telling my wife that I have this limit that this company has given me but then I stopped and started thinking. The \$ signs started getting blurry.

Questions that flowed through my head in one ear out the other -

- "Did I ask for this credit card" - answer no
- "Did they tell me that I was gonna be given a credit card to go with my purchases" - no
- "Do I pay my loan off through this card - I don't know, maybe I should of asked the question to them when I was talking to them" - doh!
- "Why did they give me this card when I didn't ask for it?" - I don't know!
- "Come on David be strong, be strong." TAB Bug says, "There's a big race on this weekend and you're bit short." I say, "go away my little TAB bug." Bug - "no, no go and withdraw, just another \$20 will see you through". A safety call to the wife, "do you mind holding this card for me and don't give it to me this weekend".

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DISCLAIMER

"The information set out in this newsletter is a summary of some issues you should consider as consumers. It is not comprehensive and it is not legal advice. You should contact a community legal centre or a solicitor for legal advice about your situation. You can also obtain further information from the offices referred to in this publication"

Bug – “damn, watch her; watch her to see where she puts that credit card”. Me, “we’re going for a little walk”. Bug, “Damn, we’ll never know now will we!”

What I’m trying to say here is that yes \$20 is a little amount but once you do it and if you are not disciplined enough that \$20 with in the next month or 2 can turn into \$1000 or more without even realizing that you’ve done it.

When I rang this company to find out how I pay off the loan, they were more interested if I got the credit card.

So how much were u approved for, was a question asked? And that was to get to my file.

I was asking how to make payments when to me they were more interested in the credit card that I never wanted. I think I should of listened a bit more because, well maybe they were going to tell me how to make payments. What I can

recall was direct debit, post office.

I asked for them to send a direct debit form to me, when it comes then I will ring them to make payment arrangements and this time I will listen.

It’s funny, here I am wanting to make a payment or I fall behind and can’t catch up and they say to me that it is usually sent a month after purchase. Now instead of being \$200 in debit now I’m \$400. Can I say this again, there goes my budget out the door for the next 2 months!

The credit card is sitting on my desk now and I’m watching it as I write this. The left side, well a little bit of the left side brain is enjoying it (that’s where the TAB bug lives) while the rest wants to cut it up.

It is funny now a days, you know that saying (well if you don’t, I’ve heard it before) “you get more than you pay for” well that’s true, more bills, that’s all I can put it down to.

To me a credit card is too easy to

access. If you are short of money, what’s the easiest way to access more cash – credit card? Let’s just think for a minute - If you haven’t got a credit card then you may budget a bit better and not get into more debt, knowing that all you have is your income. You know we all say it, “I’m a bit short this week, I’ll get some money out of the credit card and put it back in next pay”. Well I know I do it and that payment never comes until we’re in debt up to our neck, then we start making the payments. We don’t realize that we’re actually doing this when accessing money from our credit card.

Once my TAB Bug comes to life (like this weekend), there’ll be another walk with my daughter.

Lessons learnt – when going for a loan, don’t let them dictate the amount that they approve to you, tell them how much you want. This way you will not be in my position.

Until next time “Smart Savings”

ICAN PAYED \$60,000 FOLLOWING ASIC INQUIRY

The Australian Securities and Investments Commission (ASIC) has acknowledged the recent payment of \$60,000 by Capitalcorp Finance and Leasing Pty Ltd (Capitalcorp) to the Indigenous Consumer Assistance Network (ICAN). Capitalcorp made the payment as part of a package of solutions in response to concerns raised by ASIC.

ASIC examined approximately 130 personal loans arranged by Capitalcorp for Indigenous borrowers living primarily in remote locations in Queensland and South Australia. The majority of these loans were arranged between 2005 and 2006 and were used by borrowers to purchase second-hand vehicles.

‘Many of these borrowers were dependent on Centrelink payments for their income and were unable to meet the repayments on the loans arranged by Capitalcorp,’ said Mr Greg Kirk, Senior Executive Leader of ASIC’s Deposit Takers, Credit and Insurance team.

‘It’s essential that finance brokers, especially those dealing with vulnerable consumers, ensure they place borrowers into loans they are able to repay,’ said Mr Kirk.

In response to ASIC’s inquiries, Capitalcorp has also acted to:

- implement more rigorous procedures to accurately disclose the income, expenses, assets and liabilities of low-income consumers to credit providers;
- improve standards regarding disclosure of information to consumers;
- upgrade its internal audits; and
- upgrade its training of staff.

‘We’re pleased that Capitalcorp has responded to our concerns constructively by taking a range of steps which will improve results for borrowers’, Mr Kirk said.

ICAN plans to use the funds paid by Capitalcorp to enhance and support its existing outreach services for consumers in affected remote communities. ICAN CEO, Aaron Davis said, “ICAN has provided a necessary link between ASIC and Indigenous Australia, culminating in a number of joint investigations. ICAN welcomes ASIC’s recognition of this through the Capitalcorp remediation process.”

“The much needed funding negotiated by ASIC will help our organisation maintain its consumer education, advocacy and financial counselling assistance.” Mr Davis said.