



MEDIA RELEASE

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RICHARD O'SULLIVAN Commissioner of Consumer Affairs

DOCUMENTS SEIZED FROM LOCAL PAY DAY LENDER

Consumer Affairs has seized loan documents from the Territory's only pay day lender, Ezy Money, that operates out of a shopfront in Darwin Mall's Star Village.

The Commissioner of Consumer Affairs, Richard O'Sullivan, said "I have been concerned over the activities of this pay day lender for some time"

Mr O'Sullivan said Consumer Affairs is carrying out investigations following allegations by consumers of breaches of the Uniform Consumer Credit Code.

He said "Pay day lenders provide people with 'quick' cash to tide them over until next pay day. They are usually for relatively small amounts and attract high fees, with the money to be paid back within a matter of weeks, and with interest rates in some cases blowing out to over 1000% per annum".

"Desperate people see this as a quick and easy way to pay their immediate bills. Unfortunately these money lenders prey on the most vulnerable people who can least afford it, and when they can't pay the loan back on time, it is rolled over, and ultimately the debt becomes unmanageable and consumers are at the mercy of the credit provider".

He said "Consumer Affairs has been advised of a local resident who received a loan of \$500 for emergency use, and within less than 4 months, incurred a debt of \$6000, comprising of fees, charges and interest. This is an exorbitant and unaffordable rate for anyone in financial distress".

"Some of these consumers are giving their household goods as security for these loans, such as refrigerators, cooking utensils and bedding. Taking out security on such items is prohibited by the Consumer Credit Code", he said.

Mr O'Sullivan said "If it is found that Ezy Money has breached the Uniform Credit Code, then I will have no hesitation in applying the full weight of the law, especially where consumers' interests are compromised".

Any person who requires further information in this regard should contact Consumer Affairs telephone 89 996030.

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