



## Media Release

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### Consumer and Business Affairs

Friday 3 December 2004

#### **AVOID A 'DEBT HANGOVER' THIS CHRISTMAS**

On the wave of the Christmas shopping frenzy, Consumer Affairs Commissioner Richard O'Sullivan has called on consumers to aim for a debt-free Christmas.

"Christmas is traditionally a time of giving, but credit card users should be cautious so they don't spend beyond their means," Mr O'Sullivan said.

"The festive shopping period can place consumers under added pressure, particularly on offers to spend big and pay later.

"Consumers are continually being lured by promotions of interest-free deals ranging from six to 24 months, easy access to credit and increased credit card limits, and the never-ending 'bargains' at store sales.

"However, at some stage this borrowed money, needs to be paid back, and this is where many consumers can end up in trouble."

Mr O'Sullivan said each year local financial counsellors and charity organisations are inundated by people, especially families, seeking post-Christmas assistance.

"Desperate people often try to stave-off the collection agencies and final notices by entering into deals and contracts with another financial institution or worse, borrowing money from pay-day lenders," he said.

"The borrower then finds themselves trapped in a roller-coaster ride to financial ruin, borrowing more to pay back each loan."

Mr O'Sullivan said the best approach was to not over-spend in the first instance and to have a common sense approach by planning spending limits ahead to keep to a budget and keeping the Christmas spirit – 'the thought that counts' - in mind.

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