

MEDIA RELEASE

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CASES MULTIPLY AGAINST MATHS SOFTWARE PROVIDER EDUFIN

Consumer Action Law Centre has issued five separate proceedings in the Victorian Civil and Administrative Tribunal against educational software provider Edufin, all of which deal with cases where parents claim that they thought they were buying the software on credit only to discover the documents they signed purported to be a lease agreement.

Carolyn Bond, Co-CEO of the Consumer Action Law Centre, said that the outcome of these cases could have significant implications for the many other parents who signed up without realising they were agreeing to lease rather than purchase the software.

“A lease agreement means that, in effect, these consumers could be asked to hand back the software at the end of the agreement because, despite having paid many thousands of dollars for the products, they don’t actually own them,” Ms Bond said.

“Our clients’ claims allege that by providing a document which purports to be a lease agreement, rather than a loan agreement, Edufin is attempting to escape its legal obligation to disclose the interest rate and separate the actual cost of the product from the interest charged, which they would have to provide if it was a loan document.

“This makes it difficult for consumers to understand and compare the cost of the credit being provided. Our Applications allege that the contracts entered into are, in law, loan agreements and therefore ought to contain the information required by consumer protection legislation.”

“These parents only want the best for their children and they end up being railroaded into buying these products without being fully aware of associated costs. In the past, we’ve seen that happening to a degree with linked credit contracts, but these leasing deals make it much easier for companies like Edufin to actually conceal the real cost of the credit, putting parents in an even more vulnerable position.”

Ms Bond said that many of the cases she had dealt with involved parents who were battling financially and who had signed up without fully understanding the long term financial implications.

“It’s a very real concern to us that often these families have struggled for years in order to purchase a home only to fall for high pressure sales pitch that could end up putting the family home at risk if they can’t maintain the payments,” Ms Bond said. “It might sound extreme, but that’s a real possibility for many of these families given that these software programs often cost well above the \$5,000 bankruptcy threshold.”

Ms Bond said a Consumer Action report, ‘Shutting the Gates’, released earlier this year examined the psychological manipulation commonly seen in these sorts of in-home sales.

“In our opinion, it was clear from the research that the companies selling these products know exactly what buttons to push to get you to buy – regardless of whether you can afford it or not,” she said. “But no matter how much you want to help your children, if at any stage you feel like you really want to say no then you should never say yes! “

For more information, read [“Shutting the Gates”](#) or view our fact sheet on [how much](#) educational software will really cost you and what your rights are in relation to [door to door sales](#).

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