

## Information Sheet: Motor Finance Wizard

### Use this fact sheet if you:

- have a contract with Motor Finance Wizard and want more information.

### More information can be found in our related factsheets:

- Action Sheet: [Motor Finance Wizard: making a free complaint](#) to the Credit Ombudsman Service
- Information Sheet: [Motor Finance Wizard - Walker v DTGV1 Pty Ltd](#)

### What transactions will this Information sheet help you with?

This information sheet will assist you if you have entered into a contract with Motor Finance Wizard in Victoria (usually DTGV1 Pty Ltd, or V1), and your contract is substantially the same as 'the [Example Motor Finance Wizard Contract](#)'.

At various times Motor Finance Wizard has offered different types of arrangements. If your arrangement with Motor Finance Wizard is different to the [Example Motor Finance Wizard Contract](#) (for example you have an 'interest free loan') contact Consumer Action Law Centre for advice.

### Key features of the Example Motor Finance Wizard Contract

Some of the key features of the Example Motor Finance Wizard Contract are:

1. **there is no right to keep the vehicle** at the end of the contract;
2. **you pay a substantial amount for having the car** - more than buying a car outright or the cost of most car loans;
3. you **take on expensive obligations** while you have the car.

### 1. There is no right to keep the vehicle at the end of the contract

The Example Motor Finance Wizard Contract does not give a consumer a right or obligation to purchase the car they are paying for - **it only allows you to make an offer to purchase** the car. The Example Motor Finance Wizard Lease says that Motor Finance Wizard 'may accept or decline that offer in [its] absolute discretion, and upon terms as [it] see[s] fit'. This means that **Motor Finance Wizard can reject your offer to purchase the car even after you have paid thousands of a dollars** for it.

### 2. You pay a substantial amount for having the car

The Example Motor Finance Wizard lease requires the consumer to pay **a lot more for a car than if it were purchased outright or with a standard car loan**.

For example, if you arrange to pay \$26,200 over 42 months for a car worth \$8,000, you are paying \$18,200 extra for the car and you don't have a right to keep it!

Publications like [Redbook](#) and [Glass's Guide](#) might be able to give you an indication of the market value of the vehicle you are leasing.

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### 3. You take on expensive obligations

Not only do you have to pay a large amount of money for a car that you may not get to keep, you also take on **many expensive obligations while you have the car**. For example, the Motor Finance Wizard Lease says you have to pay for:

- registration;
- comprehensive insurance; and
- having the car serviced.

A failure to comply with these obligations will likely be a breach of the contract which could lead to termination of the contract and repossession of the vehicle.

#### **Walker v DTGV1 Pty Ltd trading as V1 Leasing (Credit)**

In the case of [Walker v DTGV1 Pty Ltd](#), the Victorian Civil and Administrative Tribunal found that DTGV1 Pty Ltd, which was part of a group of companies trading as Motor Finance Wizard, had:

- charged an early termination fee which should not have been charged because it was not a genuine estimate of any loss Motor Finance Wizard was likely to have suffered as a result of the early termination of the lease;
- entered into a lease which was unjust;
- engaged in unconscionable conduct;
- engaged in misleading or deceptive conduct.

VCAT set aside Ms Walker's lease and ordered that DTGV1 Pty Ltd:

- return a \$1,100 deposit paid by Ms Walker;
- pay Ms Walker \$200 which ought to have been credited to her under the agreement as compensation for the loss of her trade-in vehicle.

VCAT observed that '[t]he evidence shows that V1's process in its transaction with Ms Walker was seriously flawed and needs urgent change (emphasis added)'.

If you want to consider whether [Walker v DTGV1 Pty Ltd](#) might relate to your circumstances, you can read the case [here](#). You can also find a list of some of VCAT's findings in our factsheet [Motor Finance Wizard - Walker v DTGV1 Pty Ltd](#).

#### **Some things to investigate:**

There are many consumer protection laws that may apply to your dealings with Motor Finance Wizard. Below are some things you might wish to get advice about.

1. Is any termination fee charged by Motor Finance Wizard a penalty - i.e. not a reasonable pre-estimate of its loss? If so, it cannot be charged lawfully. VCAT found in [Walker v DTGV1 Pty Ltd](#) that the termination fee charged in that case was a penalty.

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2. Did Motor Finance Wizard engage in unconscionable conduct, or was the arrangement unfair?
3. Did the warranty require you to pay for things Motor Finance Wizard should fix under law anyway?
4. Were you misled about whether you had a right to keep the car at the end of the lease?
5. Were you able to afford repayments?
6. Was the agreement going to meet your needs and objectives?
7. Were there any terms which were unfair in your contract?
8. Did the car have any mechanical problems?
9. Did you get a fair amount for any vehicle you traded-in?

### **How do I complain if I think I have been treated unfairly?**

Motor Finance Wizard is a member of the [Credit Ombudsman Service Limited](#). The Credit Ombudsman Service Limited (COSL) provides free and independent dispute resolution.

COSL's Rules say that it will help you prepare your complaint if you have any difficulty in presenting it.

If you no longer have the car, you may wish to see if our '[Action Sheet: making a free complaint to Motor Finance Wizard and the Credit Ombudsman Service](#)' will assist you in making a complaint to COSL. Consumer Action Law Centre can provide further free advice.

**If you still have the car, and wish to cancel,** please contact the Consumer Action Law Centre for advice about your rights.

You will need to act quickly - you might lose some of your rights if you let too much time pass.

**If you want to keep the car, and are experiencing financial difficulty** in making payments, you may have rights to have payments altered. We suggest you contact our public advice line.

### **Consumer Action Law Centre**

Telephone: (03) 9629 6300, or 1300 881 020 for country callers.

Email: [advice@consumeraction.org.au](mailto:advice@consumeraction.org.au)

Mon – Fri 10.00 am – 5.00pm

Free telephone and email information regarding credit and debt and consumer law matters.