



MEDIA RELEASE

Thursday, 23 April 2009

NAB fails to assist client despite banks agreeing to help people in financial hardship

Consumer Action Law Centre has taken legal action against the National Australia Bank (NAB) on behalf of a consumer in financial difficulties alleging the bank ignored all approaches to try to resolve her debt problems despite its public pledges to work with customers in genuine hardship.

Consumer Action solicitor, Tom Willcox, said that despite formally writing to NAB twice, the first time in November 2008, as well as emailing and telephoning the bank to request copies of his client's credit card contract and a statement of the amount she owes, NAB had not responded and six months had now passed.

"Our client, a single mother with three dependent children, is currently experiencing financial hardship and cannot manage her credit card debt. We notified NAB of this and, as the usual first step in helping to resolve debt problems, asked the bank to forward us copies of the relevant documents regarding her debt," said Mr Willcox.

"Not only has NAB ignored our repeated requests, our legal claim alleges that refusing to provide the documents is also a breach of the law because, under the Consumer Credit Code, the bank is required to provide this information in order to help us assess our client's financial situation."

Mr Willcox said that his client had fallen into increasing debt with her credit card and her problems appear to have been compounded after receiving a number of unsolicited credit card limit increase offers from NAB.

"Our legal case alleges that NAB made no proper assessment of her financial situation before sending her unsolicited offers to increase her credit card limit. Any reasonable assessment would have highlighted that she would find it difficult to pay the increasing credit card debt without substantial financial hardship."

"We also allege that NAB has engaged in unconscionable conduct by failing to provide information about the credit card debt to which our client is legally entitled."

"As NAB has failed to provide relevant information after repeated requests, Consumer Action has had no other choice but to lodge an application with the Victorian Civil and Administrative Tribunal to obtain it."

Media Contact: Nicole Rich, Director – Policy & Campaigns 03 9670 5088 or 0417 348 571

Consumer Action Law Centre
Level 7, 459 Little Collins Street
Melbourne Victoria 3000

Telephone 03 9670 5088
Facsimile 03 9629 6898

info@consumeraction.org.au
www.consumeraction.org.au