



# MEDIA RELEASE

Saturday, 15 March 2008 – World Consumer Rights Day

## CONSUMER ACTION PUTS TRADERS AND GOVERNMENT ON NOTICE

Consumer Action Law Centre has released its 2008 Policy Plan on World Consumer Rights Day. Unfair, excessive and unlawful bank penalty fees, high cost exploitative credit and dodgy motor car traders will all be put under the spotlight this year, according to Consumer Action.

The Policy Plan sets out Consumer Action's priority campaigns, putting traders and governments on notice about what it wants for consumers.

Carolyn Bond, co-CEO of Consumer Action, said Consumer Action wanted to make sure everyone knew what issues are a problem for consumers and where traders and governments can do better.

"We fight to make sure consumer don't get ripped off or sold out", Ms Bond said.

"Unfortunately there are still some big problems for consumers in the marketplace, and some traders need to lift their game."

The top 5 issues for Consumer Action this year will be:

### *Unit pricing*

Unlike United States or Europe, Australian supermarkets are not required to display the price of pre-packaged products per unit (ie, kilogram or litre). Unit pricing can facilitate price competition, be anti-inflationary and make it easier for consumers to compare products. There is an urgent for Government to legislate for a compulsory, nationally-consistent unit pricing scheme.

### *Motor vehicle trading*

Consumer Action has received many complaints about a range of practices engaged in by licensed motor car trader, Motor Finance Wizard. Problems include inflated cost of vehicles, poor quality of vehicles and unfair repossessions. While we have assisted many individual consumers, there is yet to be any effective systemic response from government or regulators.

### *High cost credit*

Victoria's interest rate cap on consumer loans is ineffective, as it does not include fees and charges. This has led to fringe lenders charging excessive fees for small amounts of credit. Other states have introduced comprehensive interest rate caps, which includes fees and charges. Victoria needs to do the same.

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*Smart regulation – linking competition and consumers*

Government and industry repeatedly refer to regulation as ‘red tape’. Yet regulation is needed to ensure competition and markets work for consumers. Consumer Action will more actively participate in regulatory and competition debates – so that the ultimate goal of consumer welfare is not forgotten.

*Bank penalty fees*

We will continue the Fair Fees campaign, a joint campaign with CHOICE, against unfair, excessive and unlawful penalty fees for customer defaults. While the campaign has had some success during 2007 with some banks, excessive fees are still charged, and the industry must do more to improve service to consumers.

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