



MEDIA RELEASE

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FINANCE BROKER FLOUTS FEDERAL COURT ORDERS, CLAIMS CONSUMER ACTION

Consumer Action Law Centre has claimed that a finance broker is flouting Federal Court orders. The broker, Sample & Partners, agreed to orders in May 2007 intended to remedy harm caused to hundreds of Australian consumers by its misleading and deceptive conduct.

The Federal Court found that Sample & Partners engaged in misleading and deceptive conduct by making claims that if consumers switched loans, they would be able to pay off their home loan sooner, without explaining that this would require extra repayments.

“Rather than finding that the new loan saved money, borrowers paid fees of over \$4,000 to refinance to a product that was often more expensive than their existing loan”, said Consumer Action Policy & Campaigns Director Gerard Brody.

In court orders of 25 May 2007, Sample & Partners admitted to misleading and deceptive conduct and agreed to take a number of remedial actions, including notifying consumers of their right to claim compensation and, where it rejects a consumer’s claims for compensation, to provide reasons for that rejection.

Consumer Action says that Sample & Partners is summarily rejecting claims for compensation by consumers without providing any genuine reasons. In some cases, Sample & Partners is also failing to provide itemised lists of expenses as required by the court orders.

“The Orders are simply not working,” said Mr Brody, “and consumers who have suffered loss are being frustrated by the company’s conduct.”

“This defeats the whole purpose of the Orders which was to ensure that consumers who had been ripped off by Sample & Partners are compensated.”

Consumer Action has written to the Australian Securities Investments Commissions to inform them of this conduct.

“Consumer advocates welcomed the actions of the Australian Securities and Investments Commission in obtaining the orders last May”, said Mr Brody, “but unless the regulator takes further action, the company will be let off the hook and will profit from their past illegal activity.”

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