



MEDIA RELEASE

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CONSUMER ACTION WELCOMES FAST-TRACKING OF NEW CONSUMER LAWS

Consumer Action Law Centre today welcomed the Federal Government's announcement that it will fast track crucial law reforms to protect consumers from unfair contract terms and to give the consumer regulator more flexible and modern enforcement powers.

Catriona Lowe, Consumer Action co-CEO, said that the new laws would bring Australia closer to world's best practice in consumer law and policy.

"We are very pleased that the Government has recognised Australian consumers simply do not have the power to negotiate the terms of contracts they enter into on a daily basis, such as banking, phone and utility contracts – they face a take-it or leave-it situation," Ms Lowe said.

"These new laws will help correct the power imbalance that exists between individual consumers and businesses. At present this power imbalance allows businesses to include terms that unfairly and unnecessarily advantage them within their standard-form contracts."

Ms Lowe said that Australia had fallen behind Europe, the United Kingdom and even Victoria, all of which have laws protecting their consumers from unfair contract terms in consumer contracts.

"Victorians have seen improved contracts for a range of products and services including mobile phones, hire cars and gyms and fitness centres, thanks to the efforts of the Victorian regulator, Consumer Affairs Victoria, which has used the laws to force changes to standard-form contract terms," Ms Lowe said.

"These new laws should give all Australians more confidence in their dealings with businesses and will drive more effective competition in the marketplace by allowing the Australian Competition and Consumer Commission (ACCC), the national regulator, to address a problem that consumers cannot fix on their own."

"Priorities for the ACCC under the new laws will include banking contract terms that impose excessive penalty fees on bank accounts and credit cards and excessive exit fees on mortgages. Insurance contract terms, including hire car insurance and indemnities, also deserve close scrutiny."

Ms Lowe said that Consumer Action strongly supported the fast-tracking of new enforcement powers for the ACCC as they would give Australia a more modern, flexible and effective enforcement regime.

"The ability for the ACCC to seek compensation for consumers affected by unlawful trading practices is particularly welcome as it will help to ensure businesses cannot keep wrongfully-gained profits."

"We look forward to participating in the consultations on the details of the new laws to ensure they are effective and cover all sectors of the economy including financial services."

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