



MEDIA RELEASE

Thursday, 29 May 2008

CONSUMER ACTION SEEKS ORDERS AGAINST AUSTRALIAN INSTITUTE OF MATHEMATICS AND LOMBARD FINANCE

Consumer Action Law Centre (**Consumer Action**) has instituted legal proceedings in the Victorian Civil and Administrative Tribunal (the **Tribunal**) against Addsup Education trading as Australian Institute of Mathematics Victoria (**AIM**) and Lombard Finance.

AIM sells mathematical educational software, including the Mathemagic Computer Tutor, to parents, largely through in-home sales. Lombard Finance, provides finance for consumers to purchase the software which can cost up to \$6,490.00. Loan contracts require the payment of additional fees as well as interest of up to 23.90%.

Consumer Action is acting on behalf of Yuksel and Guler Arici, a Turkish couple from Broadmeadows, Victoria, who purchased the software and signed a Lombard finance contract after a salesperson visited their home. Consumer Action is alleging that AIM, through the conduct of its salesperson, breached the *Fair Trading Act 1999 (Vic)* by:

- Not providing the Aricis with a correct cooling-off notice; and
- Remaining at the Aricis home until 11pm at night, without a valid consent.

Consumer Action is also alleging that the salesperson engaged in unconscionable conduct, by exerting undue pressure on the Aricis to purchase the software and by not advising them that they would be entering into a finance contract where interest and fees would be payable.

Consumer Action is asking the Tribunal to release the Aricis from the purchase contract and to provide them with damages for losses they have suffered. This loss includes their liability under the finance contract which amounted to \$6,490 plus fees and interest.

Consumer Action is also alleging that the Lombard finance contract has been terminated under the linked credit provisions of the Consumer Credit Code and is seeking a declaration of such from the Tribunal. These orders would release the Aricis from all obligations under the contracts.

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