



MEDIA RELEASE

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BUSHFIRE VICTIMS HAVE RIGHTS WHEN DEALING WITH LENDERS

Consumer Action Law Centre has welcomed the response of many banks and other lenders to the plight of Victorian bushfire victims, but has advised that people affected by the fires may also have additional rights.

Celia Tikotin, Consumer Action's Director – Legal Practice, said there had now been a number of public reports about bank and other finance industry responses to hardship faced by bushfire victims.

"Many lenders have offered cash grants and three month halts to credit card, car and home loan repayments. This is a welcome and sympathetic response from the industry," said Ms Tikotin.

"We want to make sure people know about their rights regardless of what their lender is offering."

"Under consumer credit laws, most consumers are entitled to vary the terms of their credit contracts when faced with hardship such as the bushfires."

"This might include a reduction in their repayment amounts or a halt to repayments of longer than three months."

Ms Tikotin said Consumer Action was very concerned that some lenders, including major banks, had offered increased credit limits on credit cards.

"This type of 'relief' actually attracts high interest charges, and is likely to make things worse for many people already in financial hardship."

"Any extension of credit should be fee free with low or no interest. This would make it clear that lenders are not seeking to profit from the financial difficulties of bushfire victims."

Any consumers who are having any difficulty arranging a suitable hardship variation of their loan can contact Consumer Action directly on 1300 881 020 or 03 9629 6300.

Consumer Action will also be providing legal advice to bushfire victims through support to the free legal clinics and Legal Helpline set up by the Victorian legal profession. The Legal Helpline number is 1800 113 432.

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