



MEDIA RELEASE

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Car buyers warned to say no to Motor Finance Wizard tricks

Consumer Action Law Centre has today again issued legal proceedings against motor car trader, DGTV1 which trades as Motor Finance Wizard, and its related finance arm, Kwik Finance, on behalf of a consumer signed up to pay a hugely inflated price for a car.

Consumer Action Policy Officer, Sean Carroll said the legal action alleges Motor Finance Wizard and Kwik Finance acted unconscionably by taking advantage of Consumer Action's client's limited understanding of the contracts and by inflating the price of the vehicle by around a massive \$10,000 over its market value.

"We are also alleging that the contracts did not comply with the Consumer Credit Code, as they did not disclose an interest rate nor fees and charges. Instead, these amounts were hidden within the inflated purchase price leaving our client with no idea of the principal sum of the loan as compared with the interest and fees"

"The claim also states that Motor Finance Wizard and Kwik Finance knew or should have known that our client could not make the loan repayments without substantial hardship."

Mr Carroll said that Consumer Action's client had signed a former version of the companies' contracts but Motor Finance Wizard now appeared to be signing consumers up to leases instead of selling its vehicles.

"Complaints about Motor Finance Wizard just kept coming in and the public should be aware the company now seems an even bigger danger as it appears its new car contracts are specifically designed to get around new laws aimed at stopping it from ripping off consumers."

"The law was recently changed to crack down on businesses that hide loan costs within inflated prices. Since that time, Consumer Action has started getting complaints about Motor Finance Wizard's new contracts. These introduce a leasing arrangement instead of a loan as was previously the case."

"It is hard to avoid the conclusion that the new lease arrangement is designed to avoid the new law and allow it to keep charging consumers too much for its vehicles."

"Consumers should know if they go to Motor Finance Wizard to buy a car, they could instead end up stuck in a lease that obliges them to make rental payments that end up totalling well above what the car is worth while giving them no ownership of the vehicle." Mr Carroll said.

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