

MEDIA RELEASE

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APPALLING DELAYS IN HANDLING PRIVACY COMPLAINTS ARE NO SECRET

The Consumer Action Law Centre today revealed that it had been waiting almost a year for the Office of the Federal Privacy Commissioner to respond to two representative complaints about credit reporting that are thought to affect at least half a million Australians.

Carolyn Bond, Co-CEO of Consumer Action, said that the two complaints were made on behalf of individuals who have an unpaid debt listed on their credit information file relating to old Telstra debts that were sold to debt collection firm Alliance Factoring between 2002 and 2003. Alliance Factoring listed large numbers of these debts with the credit reporting bureau Veda Advantage shortly after buying them from Telstra.

“Alliance Factoring listed large numbers of false and inaccurate debts on consumers’ credit files without properly notifying the consumers or making sure it had proof that the debts were correct,” Ms Bond said.

“Many consumers only found out that they had wrong defaults listed on their credit files, often relating to very old bills, after they were told their application for a home loan or credit card was rejected because of their credit report.”

“Many affected people probably still don’t know they have a black mark against their credit file.”

Ms Bond said that two complaints were made to the Office of the Privacy Commissioner in April and May last year on behalf of the people affected. They were made by the Consumer Credit Legal Service (Vic) (now Consumer Action) and the Consumer Credit Legal Centre (NSW) under section 38 of the *Privacy Act 1988*.

“Unfortunately for the over half a million Australians with this serious problem, the Privacy Commissioner has not yet dealt with either of the complaints.”

“Having false or inaccurate debts listed on your credit file can have serious consequences – you will struggle to get a home loan or credit card.”

“It’s also just plain unfair as many people didn’t keep records going so far back and struggled to prove they didn’t owe the debts.”

Ms Bond said that it was unclear why the Privacy Commissioner’s Office was taking so long to handle the complaints.

“We had to remind the Office of our complaints again this year and they have still not provided a response. We are very concerned that they do not have enough resources to handle all the complaints they get, but they are also taking far too long to deal with such a serious matter.”

“The Australian Competition and Consumer Commission took action where it could to put a stop to Alliance Factoring’s poor debt collection practices, but only the Privacy Commissioner can enforce the credit reporting rules.”

“We have now complained about the delay in handling these complaints in our submission to the Australian Law Reform Commission’s current review of the credit reporting provisions of the *Privacy Act*.”

“We also hope that the Office of the Privacy Commissioner will be allocated more resources in this year’s Federal Budget.”

Copies of the Representative Complaints are available on request.

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