



MEDIA RELEASE

Wednesday, 28 February 2007

CONSUMER ACTION PUTS TRADERS AND GOVERNMENTS ON NOTICE

Unfair, excessive and unlawful bank penalty fees, reckless lending and dodgy motor car trading will all be put under the blow-torch this year, according to plans released today by the Consumer Action Law Centre.

Consumer Action, one of Australia's leading consumer organisations, publicly launched its Policy Plan for the year with its priority campaigns clearly set out, putting traders and government on notice about what it wants for consumers.

Catriona Lowe, co-CEO of Consumer Action, said Consumer Action wanted to make sure everyone knew what issues are a problem for consumers and where traders and governments can do better.

"We fight to make sure consumers don't get ripped off or sold out," Ms Lowe said.

"Unfortunately there are still some big problems for consumers out there in the marketplace, and some traders really need to lift their game."

"Governments have also been a bit slow to step in and protect consumers lately, even where there is clearly a need to do so, because they are so worried about imposing more 'red tape' on business."

"It can't be red tape to help stop traders from ripping off consumers. Laws and regulations are only red tape if they put an excessive burden on business and don't work."

"Governments can't use 'red tape' as an excuse for inaction on consumer protection forever," she said.

The 5 top issues for Consumer Action this year will be:

Penalty Fees

Banks and other financial service providers are still charging unfair, excessive and unlawful penalty fees for customer defaults. If industry won't drop their unlawful penalty fees, it is time for the Federal Government to intervene.

Reckless Lending

We are seeing increasing levels of household debt, housing stress and home repossessions. Too many lenders are providing loans without adequately assessing whether the consumer will be able to repay the loan, relying on being able to simply sell up the consumer's assets instead if the consumer defaults. It is time for Australian loan providers to stop their race to the bottom in terms of lending standards in their quest for market share and profits. The Federal and State Governments also need to use their powers to put a stop to reckless lending.

Motor car trading

It is time for the Victorian Government and industry bodies to crack down on poor practices in the industry, as well as establish an industry dispute resolution scheme.

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World Class Consumer Policy

Australia was once a world leader in consumer affairs. Now we lag behind other countries – we need our protections, especially the *Trade Practices Act* comprehensively updated. National unfair contract terms laws, following Victoria’s lead, would be a good start.

National Energy Market Reform

Australia is moving to a full national energy market with national regulation and consumers need appropriate customer safeguards to be retained.

Consumer Action will also work on a range of other important issues, including payday lending, credit reporting, brokers, affordable energy and water, mobile phone sales practices and inappropriate or illegal conduct by public transport ticket inspectors.

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