



A \$5,000 claim in the Federal Court!?

Cash Converters notes the Press Release issued on 24th September 2015 by Consumer Action Law Centre (CALC) concerning an action by a single borrower against Cash Converters. This CALC statement is highly misleading in its claim that the case evidences a failure of the new Federal consumer credit legislation. Only 7 out of the 31 loans from Group companies were made to this borrower since that legislation fully commenced on 1 July, 2013, a period of just 27 months.

The total fees the subject of the claim amount to \$4,927. The fees actually paid on loans made under the new legislation since 1 July, 2013 total \$288.20.

Accordingly, a total fee refund on those loans would be \$288.20, hardly the basis for a Federal Court action or an assertion by CALC that: *"Payday lending reforms from 2013 have failed vulnerable Australians"*.

It is surprising that CALC has launched this action without exhausting the consumer protections provided under the Consumer Credit Protection Act for hardship and for external dispute resolution by the independent credit ombudsman. Of course those deliberations are held in private. It is well known that CALC is constantly lobbying against the micro-lending industry and these exaggerated claims about the failure of this Act form part of CALC's ongoing attempts to discredit the industry.

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