



Promoting Responsible Consumer Lending

MEDIA RELEASE

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Payday Lenders Welcome More Government Funding

Small credit providers welcome the announcement by federal Labor of a much-needed \$60 million boost to give more financial options for the 3 million Australians suffering financial and social exclusion.

Peak body for the sector, the National Credit Providers Association, said the promise of more money would help the charitable sector to assist people in genuine need where main stream finance was not an option.

This Labor policy is an acknowledgment of the great need by so many ordinary Australians to access small loans other than through credit cards or big banks.

The highly regulated small loans sector provides \$500 million dollars to Australians that choose this form of short term credit rather than credit cards or other loans.

Bipartisan consumer protection laws (NCCP act) of 2013 have provided for a strict application process for small loans, resulting in a complaint rate of just 0.02% for all small loans as a testament to good regulation and meeting the needs of consumers.

These bipartisan consumer protection laws of 2013 do not apply to consumer leases and other forms of credit such as credit cards or buy-now-pay-later schemes, which are often the source of many consumer complaints.

The NCPA continues to be highly supportive of the work being done by the community sector in the provision of NILS loans and other financial support and assistance to people in need.

NCPA Chairman Mr Robert Bryant once again offers the support of the peak body and its members to assist NILS lenders in a genuine free use of a 50-branch network of specialists lenders to the demographic the government and others consider vulnerable across Australia.

Mr Bryant also noted that more work needed to be done to bring unregulated credit providers and consumer leases under the consumer protections of the National Consumer Credit Protection Act which small credit providers have been operating under since 2013.

For further information, please contact NCPA Chairman Rob Bryant on 0407 292 295