



MEDIA RELEASE

NCPA Welcomes Small Loans Senate Inquiry

Tuesday 10 December 2019

NCPA Chairman Michael Rudd has welcomed the referral of the National Consumer Credit Protection Amendment (Small Amount Credit Contract and Consumer Lease Reforms) Bill 2019 (No. 2) to the Senate Economics Legislation Committee for inquiry.

This inquiry is welcome because it provides another opportunity for small loans providers to demonstrate the value of small loans to Members of Parliament.

As consumer activists continue a relentless campaign of deliberate misleading misinformation and confusion for consumers, it is important for decision makers to hear and see the facts about how existing legislation regulates the small loans sector.

Consumer activists continue to falsely claim interest rates of 400%, 800% and 900%, or whatever suits the story of the day.

The fact is that small loans don't charge interest rates at all. They are regulated to charge an establishment fee and a monthly credit fee only, the repayments are clearly defined with no hidden or confusing fees. The continued misleading consumer activist's misinformation is dishonest and reflects more on their integrity and real objectives with their big banking partners.

Small loans providers are highly regulated and follow the law and abide by all responsible lending laws as well as requirements on capped fees and charges.

Small loans providers support all Australians in their financial choices and support the 3 million financially excluded Australians who depend on small loans providers for help in a financial emergency. Small amount loans are a highly-regulated product under the National Consumer Credit Protection Act and offer a high standard of consumer protections.

The NCPA looks forward to contributing to the Senate Economics Legislation Committee inquiry.

For more information contact NCPA Chairman Michael Rudd on 0401 695 030

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