



Factsheet - Consumer Credit

A Note About The Consumer Credit (Tasmania) Code

The Consumer Credit (Tasmania) Code [‘the Code’] was modelled on the Consumer Credit (Queensland) Code. Tasmania adopted the Queensland Code in its entirety and it applies as a law of Tasmania. Therefore, the Tasmanian Code is exactly the same as the Queensland Code. The link to the Code from this factsheet will take you to the Consumer Credit (Queensland) Code from the Austlii website.

How The Code Applies To You

If you buy goods, services or land now and pay for them later, you are being provided with credit. You may have borrowed money from a bank, paid for goods on a credit card or owe money to a business. If you pay a business for credit and use it mainly for personal, household or domestic purposes, the Code will affect you. The Code ensures that you get to know a lot more about obtaining credit and the terms of your credit contract.

Types Of Credit Covered By The Code

All credit transactions entered into after 1 March 1997 are covered by the Code. They include: personal loans; credit cards; mortgages; overdrafts and guarantees. If you are not sure whether your credit contract is covered check with your credit provider or one of the contacts listed below.

Information Required To Be Provided To Consumers

The Code states that credit providers must provide consumers with enough information to enable them to compare different credit offers and make an informed choice. This information must be included in a pre-contractual statement and includes:

- credit provider's name and the amount of credit to be provided;
- annual percentage rate;
- interest rates, how interest will be calculated, if the loan is to be paid out in 7 years or less, the total amount of interest payable and any changes affecting interest;
- repayments;
- credit fees and charges and any changes affecting these;
- statements of account;
- default rates and enforcement expenses;
- commission;
- any insurance financed by the contract.

Hiring Goods

If you pay to hire goods for any period over four months without having the right to buy them, then your hire agreement must include:

- a clear description and identification of the goods;
- the amount of deposit or surety needed before they will hire the goods to you;
- the amount of stamp duty or other government charges;

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HOBART

158 Liverpool St Hobart 7000
GPO Box 1422 Hobart 7001
Telephone 03 6236 3800
Facsimile 03 6236 3811
DX 123

LAUNCESTON

64 Cameron St Launceston 7250
PO Box 810 Launceston 7250
Telephone 03 6336 2050
Facsimile 03 6336 2074
DX 70126

BURNIE

50 Alexander St Burnie 7320
PO Box 550 Burnie 7320
Telephone 03 6434 6444
Facsimile 03 6434 6440
DX 70209

DEVONPORT

8 Griffith St Devonport 7310
PO Box 87 Devonport 7310
Telephone 03 6421 7870
Facsimile 03 6421 7871
DX 70354

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- any fees or charges not included in the normal rental charge;
 - the amount of each rental payment;
 - the dates when rental payments are due or time between payments;
 - the total amount of rent to be paid and number of payments to be made; and
 - a statement of conditions under which the lease can be terminated and a statement of any liabilities incurred if a lease is terminated.

Regular Statements

Credit providers are usually required to provide you with regular statements which include: details of all fees and charges; details of each amount of credit provided during the statement period and the names of the providers; details of interest charges; opening and closing balance; the minimum payment due and the due date. You are entitled to ask your credit provider about any details of your account.

Changes In Your Credit Contract

The credit provider can only change the contract if this is allowed in the contract. If your credit provider wants to increase the amount, frequency or calculation of repayments they must give you 30 days written notice. This does not include changes in interest rates, which only require one-day notification.

Trouble Making Repayments?

If you are unable to make repayments due to temporary hardship, such as illness or unemployment, you must try to come to a written arrangement with the credit provider to repay the debt. If you are unable to reach an agreement, you have the right to apply to a Court for an order that the contract be changed.

RELEVANT LEGISLATION

Consumer Credit Code

CONTACTS

Consumer Credit Helpline, Ph: **1800 232 500**
Office of Consumer Affairs and Fair Trading

The information contained in this factsheet is not legal advice. If you have a legal problem you should talk to a lawyer before making a decision about what to do. The information in this factsheet is written for people resident in, or affected by, the laws of Tasmania, Australia only. All questions concerning this factsheet to info@legaid.tas.gov.au.