

18 January 2019

By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Senate Economics References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Members

**Inquiry into credit and financial services targeted at Australians at risk of financial hardship – case studies**

We write in response to Fox Symes' submission dated 4 December 2018 to the Committee in relation to Case Study 9 of our submission.

Fox Symes appears to dispute that the debtor "Jo" was required to pay \$2,200 to Fox Symes, and claims that the case study was 'incorrect' and 'misleading'. We refute this allegation and support the accuracy of the case study. In drafting the case study, we obtained instructions from the client and reviewed a number of core documents including her credit file and the Part IX debt agreement proposal. The case study was reviewed by two senior lawyers before publication for factual accuracy. We have conducted another detailed review of the case study in response to Fox Symes' concerns, and our review re-confirmed the accuracy of the case study.

Fox Symes claimed that the only fee paid by 'Jo' was \$200. The person "Jo" in the case study is [REDACTED]. We have since spoken with [REDACTED] and she instructs that she has paid more than \$200 to Fox Symes. In any event, the debt agreement proposal makes it plain that the debtor is liable to pay \$2,200 set up fees. We have extracted an excerpt of the Explanatory Statement from [REDACTED] debt agreement proposal below for your convenience:

## **Explanatory Statement**

The purpose of the Explanatory Statement is to give the necessary information to your creditors for them to consider your proposal and make a decision on their vote.

- A.** Set up fees paid or payable to administrator and broker for the provision of information and preparation of this debt agreement proposal to the time of lodgement.

\$ 2200.00
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Accordingly, the statement of, “[d]espite this, Jo still had to pay Fox Symes’ fees of \$2,200 to put together the proposal” is accurate. This is because we did not state that the debtor *did* pay \$2,200, rather that she *had* to pay \$2,200 which is her liability under the debt agreement proposal prepared by Fox Symes staff.

Fox Symes’ statement that the company did not require the debtor to pay the full amount of the set-up fees does not make the statement misleading. Further, [REDACTED] instructs that she is now a bankrupt and that bankruptcy is a better option for her than the Part IX debt agreement.

We request that the Committee redact any personal information about [REDACTED], as she has not consented to publication.

Every case study Consumer Action presented to the Committee has been subject to a rigorous internal sign off process, which includes reviewing supporting documents and file notes to verify the accuracy of each case study. We accordingly maintain that all of the case studies submitted to the Committee are factually accurate. We are happy to provide further case studies about Fox Symes, and other debt agreement administrators, upon request.

Yours Sincerely,  
**CONSUMER ACTION LAW CENTRE**

Gerard Brody  
Chief Executive Officer

