

To the Honorable Senate Member

As a former debt collector , Commercial Agent with over 15 years experience and now as a Business proprietor with 9 years consumer dealings

I wish to voice my concern over the changes to the credit act.

I wish to draw your attention to the amendments to the new credit laws and I note that today hearings are taking place today in Sydney between Banks and Retailers discussing changes to the credit laws.

My concern is that at no time do we have the general public being represented in this discussion and after all they are the ones that are suffering as a result of defaults to credit reports and stolen identities and the abuse of banks.

You would agree with me that if we could reduce the amount of complaints that flood parliamentarians office regarding the two major credit reporting agencies Vida advantage (formerly Baycorp Advantage) and Dun Bradstreet we could redirect MP time to more important things demanding attention

The credit reporting agencies currently operating in Australia are owned by foreign companies These organizations currently have access to all consumer lending record court judgments , last known addresses of every person or business in our country who has applied for finance. they store the data locally and overseas however overseas data bases are not secure as seen recently in the USA when large companies in the USA were hacked into by criminals from nations with lax IT laws.

The same credit reporting agencies are also licensed debt recovery agencies and a possible conflict of interest is apparent that such agencies also have access to the different levels of data that is kept from insurance companies credit reference files as well. These agencies are required to operate within the boundaries of the credit Act and the Consumer Acts however with such close connections they are leaving staff open to breaches of the act without any independent policing in house to see if the act has been breached. For example whilst they have audit trails on data files these are of little use if the any wrong defaults are applied and then removed, claiming to be a wrong persons file. the data of the first person has been viewed and just liked we witnessed with the Wood royal commission into policing in NSW subject to corruption as people who seek the information can pay the to the highest bidder information they have gleaned from the files of persons.

*Recently a dispute arose with a telephone service provider who supplied a faulty phone when the phone supplier was asked to rectify the matter they refused and of course the service was suspended until the account was paid the phone service provider then defaulted the customers file and even though the Telecommunication ombudsman intervened and ordered the service provider to fix the issue the phone provider defaulted the persons file and this was not removed.*

*When a prospective finance provider sees a file with such a default they refuse the finance even if it is over a phone dispute the customer is forced to apply and there appears not recourse to fight the large companies from using the credit reference system to get their own way it is fact being abused by many of them*

### **Recourse open to the Consumers**

The agencies involved have the ability to collect a debt from a debtor and after debt is paid still inflict the more hardship by keeping past records

On the debtor even if a dispute arises from lender at the time there needs to be an independent arbitrator who is not bowing to big business.

The only option at the moment is are expensive defamation laws to proceed with if they information against them is deemed incorrect. These two major players do not answer to anyone not our government only their shareholders , thus a full tribunal needs to be considered that will assess and rule on judgments and order credit reporting agencies to remove and or modify defaults and judgments if they deem them ill listed or incorrect

The current situation is that if you or I are defaulted for a disputed transaction with a service provider then we have no way of defending ourselves  
From the Corporation should we wish to go elsewhere our lively hood is ruined for 5 plus years  
should we try and use a false identity we are then forcing consumers into fraud as they seek to apply for finance under a different name

The two major credit reporting groups do not give the consumer any recourse to defend the records kept. this in turns can affect anything from simple property rentals to buying anew asset.

### **Suggestions**

The new changes should reflect the following points

1 see any credit reporting agency to be totally separate from the debt recovery side of its business affairs so that there is no conflict of interest .

2 an arbitrator set up to deal with vexatious and wrongly applied defaults on accounts of consumers.

3 laws governing identity fraud on person credit file should have an independent section that allows a consumer to right the wrong of identity fraud on his or her file and have his file tagged to assist any future credit enquiry that will allow a person life to go on after a identity fraud has occurred and legislation applied to force credit reporting agencies to allow consumers to challenge incorrect information or disputed information

4 a web site set up to allows customers to vent their discontent with retail outlets and Banks and credit providers so customers get the best choice in business and that way the Banks become more transparent in it' operation and are quick to shut down shonky fees and operation procedures.

Whilst many people do run up debts and then clear out the vast majority of people do experience hardship and need proper assistance

The current consumer lending practices do little to address the possibility of clear outs and that is where the consumer puts pressure on the government to act the consumers need to understand fully that they and the person nominated on the application forms will be contacted by the Collection agencies when a debt is past due

The consumer should be required to nominate people who will vouch for the identity of a person at the start and at the end of the application during it's good time and it's bad

Darren Boehm