

**Inquiry into National Consumer Credit Protection Amendment (Small Amount Credit Contract  
and Consumer Lease Reforms) Bill 2019**

**Australian Securities and Investments Commission**

**Answers to Questions on Notice**

**Public hearing: 13 March 2020**

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**Question No:** 001  
**Topic:** Consumer leases  
**Hansard Page Reference:** 65

**Question:**

ACTING CHAIR: ASIC's previously undertaken research that indicates that, in the consumer leasing space, Centrepay users appear to be charged higher prices over the life of the contract, whatever the length of that contract is, than general users of that service. What was the research base on which that proposition was established?

Mr Gough: I might have to take that on notice. We've undertaken quite a bit of work in this area, as you've mentioned. We released a report—ASIC report 447—that examined consumer leases based on our own review of files and some work that RMIT had done. I can't say with confidence that that came from this work.

**Answer:**

ASIC's analysis of consumer leases in its November 2018 submission to the Senate Economics References Committee inquiry *Credit and hardship: report of the Senate inquiry into credit and financial products targeted at Australians at risk of financial hardship* was based on the following information:

- (a) Detailed contract-by-contract data in respect of 485 consumer leases entered into by four franchises of a medium-sized lessor, over a three-month period in 2017; and
- (b) Aggregate data provided by another medium-sized lessor in relation to over 25,000 consumer leases entered into by all franchises of that lessor during the calendar year 2017.

ASIC was able to obtain information on both the amount charged relative to the recommended retail price of the goods, and whether, at the time the contract was entered into, the consumer was using Centrepay to make the rental payments. This information was used to undertake the analysis which found that Centrepay users paid more relative to other consumers.

**Question No:** 002  
**Topic:** Consumer leases  
**Hansard Page Reference:** 66

**Question:**

ACTING CHAIR: When ASIC made a submission to the Senate Economics References Committee inquiry *Credit and hardship: report of the Senate inquiry into credit and financial products targeted at Australians at risk of financial hardship* back in November, two years ago, you listed ASIC's enforcement actions for consumer leases since 2013. What has happened since that time, in terms of enforcement in that sector?

Mr Gough: As I said in my opening statement, we do have a number of matters with our investigation teams. I can't say anything other than that at this point, but it's fair to say that we've continued to be active in this space.

ACTING CHAIR: At the time of your last submission you had 13 actions underway against 12 different companies. Are all those companies still in the market?

Mr Gough: I would have to take that on notice.

**Answer:**

ASIC's submission to the 2018 Senate inquiry detailed enforcement actions undertaken against the following consumer leasing companies:

- Thorn Australia Pty Ltd
- King Quartet Pty Ltd
- Motor Finance Wizard Pty Ltd
- S&S Enterprises Pty Ltd
- Make it Mine Finance Pty Ltd
- Amazing Rentals Pty Ltd
- Goldhype Pty Ltd
- Rent the Roo Pty Ltd
- Mr Rental Australia Pty Ltd
- Ray Rentals Pty Ltd
- Mobile Rentals Pty Ltd
- Zaam Rentals Pty Ltd

Of those companies, the following no longer hold an Australian Credit Licence:

- King Quartet Pty Ltd
- S&S Enterprises Pty Ltd
- Amazing Rentals Pty Ltd
- Goldhype Pty Ltd
- Ray Rentals Pty Ltd
- Zaam Rentals Pty Ltd

Further, Motor Finance Wizard Pty Ltd has changed its business model and is no longer offering consumer leases and is only providing car loans.