



18 September 2019

Mr Andrew Gaczol
Acting Committee Secretary
Senate Economics Legislation Committee
Parliament House
CANBERRA ACT 2600

BY EMAIL: economics.sen@aph.gov.au

Dear Mr Gaczol

Inquiry into National Housing Finance and Investment Corporation Amendment Bill 2019 [Provisions]

The Australian Financial Complaints Authority (AFCA) would like to thank the Committee for the opportunity to comment on this very important issue. The *National Housing Finance and Investment Corporation Amendment Bill 2019 [Provisions]* sets out to introduce a framework and funding mechanism for the First Home Loan Deposit Scheme (the scheme) to enable the provision of guarantees to improve access to home ownership.

AFCA welcomes and supports initiatives aimed at improving the accessibility of appropriate credit to all consumers, in particular first home buyers, designed to improve access to home ownership. It is essential that any credit provided however is done so fairly, contemplating the circumstances of the consumer.

We highlight of course, as outlined in the explanatory memorandum, any loans provided by financial firms in connection with the scheme would still need to be assessed in accordance with the responsible lending obligations contained in the *National Consumer Credit Protection Act 2009*. The responsible lending obligations provide important consumer protections; they are not intended to restrict lending but to ensure that the decision to lend is made responsibly.

AFCA considers that our jurisdiction to deal with complaints about a financial product or service provided by a financial firm to a consumer or small business should cover any complaints about credit provided by a financial firm in connection with the scheme. It is important that consumers and small businesses have access to external dispute resolution (EDR) as an alternative avenue for resolving complaints they have with their financial firm. AFCA provides consumers and small businesses with the opportunity to seek redress through a free, fair, impartial and efficient EDR scheme.

We are pleased to see reform occurring and that measures designed to improve access to home ownership are being implemented. We anticipate that as further details emerge about the scheme and its operation, we may have additional comments to make.

If you have any queries or would like further information, please do not hesitate to contact [REDACTED] Senior Manager on [REDACTED] or by email at [REDACTED]

Yours sincerely

[REDACTED]

David Locke
Chief Ombudsman and Chief Executive Officer
Australian Financial Complaints Authority