

# Response to Rick Tipping Article - OzeRentals Pty Ltd

**Wednesday 5 December 2018**

Regarding an article written by Mr Rick Tipping in the Hobart newspaper *The Mercury*, Thursday 12<sup>th</sup> July 2018.

After a request from Mr Tipping for an interview with my business partner Mr Steven King and also our PR consultant Nicholas King in order to better understand our industry, we agreed to spend an hour with him to discuss the way we operate. We showed him our responsible lending format, describing the process of a client receiving a rental product from application to delivery and installation, and discussed the ongoing service that we supply.

We told Mr Tipping that approximately only one in four applicants are accepted as we adhere to rigorous screening of their financial history and their capacity to pay. (It should be noted that for us to provide a rental to a client that does not have capacity to pay is folly for us, as the client is entitled to end their rental contract at any time, in which case there is little to nothing we can do in response – even trying to recoup our goods is nigh on impossible if the client wishes not to relinquish them.)

During this meeting, we also discussed the code of conduct we operate under, and how we will gladly cancel any contract if the rental goods in question are returned, removing any risk of a debt spiral if a client's circumstances change.

We described the kind of deliveries we do, sometimes travelling long distances to the client to repair or replace items that are faulty or damaged. We even install large screen televisions on wall mounts for the sake of child safety, at no extra cost to the client (which would usually attract an installation fee of around \$220.00 from other operators).

We note in his article that Mr Tipping states that we rely on Centrelink in order to receive payments. As with Mr Tipping's other comments, we informed him that a significant proportion of our clients do not use Centrelink as a payment method, however those that do use it do not suffer detriment as a result. Rather, they benefit from the security of Centrelink's service in that they are fully in control of their account and can vary or cancel their payment at any time (which effectively takes control out of our hands). Also there is no cost to the client for the use of Centrelink's service as we, the supplier, bear the cost.

It is true that we endeavour to provide clients with the specific items that they want, but the suggestion of Mr Tipping's article that we just give to people what they want without reason, and at a hefty profit, is incorrect and is a gross misinterpretation of our discussions with him. The industry at large sees plenty wrong with "hoovering up income" as it does not benefit anyone, whether in the industry or otherwise, and is morally wrong.

As a result of our responsible lending practices (which we illustrated at length to Mr Tipping), we always apply a rigorous standard of budget and income testing to our clients, and are always required to ensure the client retains sufficient income to fulfill all of their basic necessities. Again, I wish to point out that under our code of conduct, any client can cancel their contract and return their goods at any time without penalty, effectively preventing hardship as a result of our rental contracts as seen in the case exemplified by Mr Tipping.

After our interview, Mr Tipping stated that he was enlightened by our practices and grateful to see how we operate. However, it appears that Mr Tipping is becoming a serial offender at stretching the truth when it comes to our industry, for what reason we know not.

**Peter Ridler**  
CEO  
OzeRentals Pty Ltd

## **Appendix - Article Excerpt**

An excerpt from the article in question is as follows:

"The president of CHERPA, a consumer-lease industry body, says people want what they want – and this industry is happy to provide what people want, at a hefty profit.

"The industry sees nothing wrong with hoovering up the income of low-income households, often leaving them with not enough to pay rent, electricity or to buy food and groceries for the family.

"The consumer lease industry also depends on the Federal Government (through Centrelink) acting as a collection agency for payments."

*The Mercury*, Thursday 12<sup>th</sup> July 2018.

– Rick Tipping is executive officer of the NILS Network of Tasmania.