



ASIC
Australian Securities &
Investments Commission

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| Committee | Parliamentary Joint Committee on Corporations and Financial Services |
| Inquiry | Oversight of ASIC, the Takeover Panel and the Corporations Legislation |
| Question No. | 070 |
| Topic | CentrePay, Urban Rampage and Credit |
| Reference | Spoken, 3 November 2023, Hansard page 21 |
| Committee member | Senator Louise Pratt |

Question

Senator PRATT: Can I also ask you to have a look at Urban Rampage's 'target market determination' statement on their website. What I can't tell from that is whether you can say that it's a suitable explanation of the market—and, of course, just because they have explained it doesn't necessarily, in and of itself, make it suitable. Equally, I can't work out whether everything that they sell for which they take a Centrepay deduction is included in that target market determination. For example, if it was a stereo, a fridge or an appliance, then I presume it's covered by the credit regulation; but, if it was clothing, I can't work out if it is or it isn't. I may be barking up the wrong tree and making a false distinction, but I know it's distinguished in the Centrepay guidelines.

Ms Chester: With respect to Urban Rampage, that's one of the entities we've identified and are currently looking at their activities. We have had some discussions with Services Australia with respect to them being on the Centrepay list. We can brief you on that separately.

Answer

Urban Rampage's Target Market Determination (TMD) has changed since the date of this question. However, ASIC has been engaging with Urban Rampage for some time about the need for a TMD and for that TMD to satisfy the Corporations Act requirements; in particular, that the TMD set out the target market for the credit facility provided to customers by Urban Rampage and what steps it would take to ensure this facility was only offered to customers within the target market, ie whose likely objectives, financial situation and needs were likely to be consistent with the facility being offered to them.

ASIC has ongoing concerns about Urban Rampage's TMD, and whether Urban Rampage is complying with broader requirements under the design and distribution obligations (DDO). ASIC has been engaging closely with Services Australia in relation to our concerns about Urban Rampage's use of Centrepay deductions and application of the Centrepay Policy and Terms to this conduct. It is ultimately a question for Services Australia as to how it will apply the Centrepay Policy and Terms, and whether it will take action to suspend a business's access to Centrepay deductions.

Urban Rampage's current TMD states that its credit facility allows the customer to purchase '*essential and certain desirable consumer goods*'. The Centrepay Terms and Conditions include '*basic household items and food*' within the categories of goods and services eligible for Centrepay deductions. ASIC's concerns include the extent to which Urban Rampage may be providing its credit facility to customers for the purchase of non-essential household items, and this is part of our ongoing investigation.