



Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Oversight of ASIC, the Takeover Panel and the Corporations Legislation
Question No.	058
Topic	Credit
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Committee member	Senator Deborah O'Neill

Question

CHAIR: Thank you. Have we seen an increase in predatory lending?

Ms O'Rourke: I think we might need to take that on notice to be accurate.

Answer

Predatory lending covers a range of conduct targeting vulnerable consumers.

Given the broad nature of such conduct, which is often undertaken by unlicensed firms, and that vulnerable consumers may not always bring these matters to our attention, there are challenges in assessing the level of predatory lending. We are therefore unable to say whether or not there has been an increase in predatory lending.

Notwithstanding this, we recognise the significant harm such misconduct can have on financially vulnerable consumers, and this is one of our enduring enforcement priorities. We therefore seek information about misconduct targeting vulnerable consumers from members of the ASIC Consumer Consultative Panel (ACCP) and have taken a range of enforcement actions, including:

- Civil penalty proceedings against Cigno Australia Pt Ltd and BSF Solutions Pty Ltd for providing short term high cost credit, with fees exceeding that allowed under the Credit Act, without holding a credit licence ([23-266MR](#));
- Civil penalty proceedings against Sunshine Loans Pty Ltd for collecting over \$320,000 in fees ASIC alleges it was prohibited from charging when providing small amount credit contracts(22-132MR)
- Court action against Green County Pty Ltd for providing personal loans, with costs exceeding that allowed under the Credit Act, without holding a credit licence ([23-055MR](#)); and
- Court action against Layaway Depot Pty Ltd, which resulted in a \$375,000 penalty for unlicensed conduct and charging fees exceeding that allowed under the Credit Act on loans to consumers, many whose sole income was Centrelink benefits, to buy electronic goods on instalments. In some cases total payments were nearly five times the market price of the good. The Court also ordered an injunction permanently restraining Layaway from engaging in credit activity and entering into loans with costs in excess of that allowed under the Credit Act ([23-139MR](#)).