

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES – 11 FEBRUARY 2016 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Centrepay – Thorn Group

Question reference number: HS 163

Senator: Cameron

Type of question: Written

Date set by the committee for the return of answer: 4 April 2016

Number of pages: 1

Question:

- a) What has been done thus far in relation to the Thorn excess payments?
- b) What sanctions are available to the Department should Thorn have breached its Centrepay business agreement or policy?
- c) What has happened to the report of the DHS Effective Interest Rate Disclosure working group?

Answer:

- a) In August 2015, Thorn Group Limited (trading as ‘Radio Rentals’ and ‘Rentlo’) advised the department that it had identified \$1.2 million in excess payments made by Centrepay customers after their consumer leases had finished. Following discussions with the department, Thorn commenced an outbound call strategy and this has resulted in some repayments. The department is assisting Thorn to locate customers it has not been able to contact.
- b) The department has a number of sanctions available to it in responding to any conduct of concern by a Centrepay-approved business. Section 15 of the Centrepay Policy provides that the department may withdraw approval for a Business to use Centrepay, impose additional conditions, suspend payment of deductions or add deductions, if one or more of certain matters have occurred. Section 18 of the Centrepay Policy provides that if a Business is found to be not compliant with its Centrepay obligations, or the department has concerns about a Business’ continued approval to use Centrepay, the department may take actions including supporting the Business in meeting its obligations, full or partial suspension of the Centrepay service, imposing new terms or additional conditions upon the Business’ approval to use Centrepay, withdrawing approval, or referral to regulatory or law enforcement bodies.
- c) This working group has not reported. It is on hold, pending the outcome of the small amount credit contracts (SACC) review, announced by the then Assistant Treasurer on 7 August 2015.