

Consumer Policy
Building, Resources and Markets
Ministry of Business, Innovation & Employment
Wellington

6 June 2024

Submitted via email



**GEOFF
HAYWARD
FOR ONEPOTO**

RE: Draft changes to the Responsible Lending Code Discussion Document

My name is Geoff Hayward, a Councillor representing the Onepoto Ward in Porirua City. I am writing to endorse the recommendations in FinCap's submission on the draft changes to the Responsible Lending Code.

My rohe includes the communities of Elsdon, Tītahi Bay, Takapūwāhia, Cannons Creek and Waitangirua. These are communities who experience a disproportionate amount of risk, with many who would not be considered at the "well heeled part of town".

I am relaying the concerns of organisations, mentors and social workers who directly engage with at-risk borrowers in these communities, including those who have an almost unrecoverable circle of debt.

I am also reiterating their desire for certainty on guidance in order to support those borrowers who need help.

It is vital that any changes prioritise a focus that lenders follow minimum standards to ensure consumers (borrowers) can afford the loans offered. Removing minimum standards makes it harder for budget advisors and mentors to help the most vulnerable. The communities that I represent do not want to see measures which make them more vulnerable.

FinCap's submission goes into greater detail with regards to improvements that would help.

An associated issue is the continued lack of coverage of providers of Buy Now Pay Later loans. This needs to be addressed without delay.

Finally, while not specific to this discussion document it is important to relay the need to maintain interest rate caps on fringe lenders, something that I understand the current government has chosen to not change at this stage.

In conclusion, I hope that you will give additional consideration to the suggestions made by FinCap in their submission.

Nāku iti noa, nā,

Cr Geoff Hayward
Onepoto Ward, Porirua City Council

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