

Let's make lending better for everyone

Tell us what you think, and help make the law better for all New Zealanders

Review of the Credit Contracts and Consumer Finance Act 2003

We've heard that Kiwis are facing problems when borrowing and lending...



Some credit is very expensive. Some lenders are charging annual interest rates of up to 800% per annum. Repeat borrowers pay a lot in interest and debt can quickly become unmanageable.



Lenders are still providing too many loans to people who can't afford to pay them back. This creates more debt and other serious problems for borrowers and their families.



Mobile shopping trucks continue to create unaffordable debt. Goods are sold for high prices and some sales of goods on credit (e.g. Laybuy and Afterpay) don't fall within existing lending laws.



Some creditors are charging fees that don't seem reasonable. However, it's not always clear what a reasonable amount would be.



We've heard complaints about bad behaviour during debt collection. There seem to be false claims about the amount owed, some very high fees, harassment, and unrealistic demands for payment.

- › Have you experienced these problems?
- › Are these issues serious enough to need a change in the law? Tell us what you think.

For more information or to make a submission, go to www.mbie.govt.nz/info-services/consumer-protection/review-of-consumer-credit-law or contact us directly at consumer@mbie.govt.nz.

You can make a submission until 1 August 2018.





Here are some ideas for how to fix these problems. Tell us what you think.

Should we cap the cost of some loans?

And if so, what is the best way to limit interest and fee costs?

- › limiting the interest rate
- › limiting the total amount that borrowers have to pay back

How can we address illegal behaviour?

Options include:

- › increasing the requirements for who is allowed to be a lender
- › increasing penalties for breaking the lending rules
- › increasing the current levy on lenders to help fund enforcement
- › making the rules more specific around affordability testing and advertising

What steps can address mobile shopping trucks' behaviour?

We are looking at ways to:

- › include more sales of goods on credit in the CCCFA
- › require a fair sale price

How can we make sure that lenders' fees are reasonable?

Options include:

- › capping fee amounts
- › requiring lenders to prove their fees are reasonable

Should there be more rules about debt collection?

Options include:

- › increasing disclosure requirements
- › requiring debt collectors to offer affordable repayment plans
- › setting appropriate levels of contact



What are the pros and cons of these ideas?

Are there other solutions that would work better?

Tell us what you think.

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