WHITE PAPER

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Achieving the right balance between consumer protection and financial responsibility

A discussion paper on proposed changes to New Zealand Credit Contracts and Consumer Finance Legislation

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1. Introduction

"The core public policy issue is finding the balance between the state intervening to protect people from themselves versus not intervening and allowing poor decision-making, putting individuals and families at risk ... Should the state wish to take on a greater role, a possible objective would be to foster responsible borrowing and/or responsible lending concepts into the market.

This involves placing an onus on lenders to ensure that debt obligations would be able to be met, before lending takes place."[1]

2. Abstract

The quote above, from the Ministry of Consumer Affairs, goes to the heart of the debate concerning lending practices and the CCCFA. To what extent, if any, should people be "protected from themselves" in the matter of borrowing money?

This white paper addresses this question and a related question, which is whether the "pendulum of protection" is in danger of swinging too far in the direction of the borrower. That is, in an effort to protect borrowers against unscrupulous lending practices, do we risk placing unfair burdens on legitimate lenders, and worse, do we increase the overall cost of borrowing for those who can least afford it?

We do not take the position that people should have *no* protection against their own bad decisions, especially when such decisions can affect entire families, including children. Nonetheless, there is evidence to support the view that the debate in favour of protection has become somewhat one-sided and that a number of key points are being overlooked. In particular, we contend that:

1. The current CCCFA is considerably more comprehensive than it is given credit for, and many of the unscrupulous practices targeted by proposed changes are already covered in the existing Act. The issue may be not so much about more legislation, but about enforcement of existing legislation.

2. Increasing the regulatory burden of legitimate lenders would almost certainly drive some borrowers to so-called fringe lenders, or 'loan sharks'.

3. If all of the suggested changes to the CCCFA were to be implemented, an undue and unwarranted cost burden would fall on the vast majority of lenders who act responsibly and within the bounds of the current Act.

4. One impact of this would likely be a restriction in lending policies by these lenders, or the exit of legitimate lenders from the market, making credit harder to obtain for many borrowers, and certainly more expensive when obtained.

1 Ministry of Consumer Affairs, Report to the Maori Affairs committee on Fringe Lending and Maori, 29 May 2009

5. People on low incomes are, by and large, very capable at making sound financial decisions. While they obviously have fewer options than people with higher incomes, that does not mean they need to be protected against their own judgement.

6. Restricting the ability of people on low incomes to obtain credit may condemn them to remaining trapped in poverty. Research suggests that restricting people's choices – even with the best of intentions – can result in more poor choices, not fewer.

7. While regulation of financial and lending institutions is critical, all such regulation comes at a cost – not only to the market, but also to enforcement authorities. New regulations should undergo a cost-benefit analysis to ensure that enforcement costs do not outweigh potential benefits.

3. Background to this paper

"Fringe lending" has received a great deal of attention in recent years. While no universally agreed-upon definition of the term exists, it is widely understood to refer to unscrupulous, possibly illegal, lending practices that include a lack of disclosure, hidden (and possibly exorbitant) fees, and excessive interest rates. Also called 'loan sharking', it is commonly targeted at the poor, financially distressed, and financially naïve.

Attempts to eliminate the practice have been spearheaded by the Commerce Commission in its role as front line regulator under the CCCFA. The issue was also tackled at the 2011 Financial Summit held in Auckland. The thinking regarding Commerce Commission involvement has been that as long as the Act itself is sound, then rigorous enforcement of its provisions should largely eliminate fringe lending.

So how big is the problem? The Financial Services Federation estimates fringe lending to account for up to just 5% of the consumer lending market[2] (which does not include the housing lending market, estimated to be 19 times larger than the consumer lending market). On that basis, fringe lending accounts for under 0.5% of all lending in New Zealand.

One suggested approach to stamping out the practice is financial education and advice. Another is to use existing laws and regulations and enforce them more vigorously. A further approach is to adopt new laws and regulations, which could include tightening up of some existing regulations. This white paper addresses that approach and its likely impacts.

It would be naïve to suggest we at dtr are neutral on this question. We agree with the Financial Services Federation that current legislation seems to be performing well, and we refer the interested reader to its 2009 submission to the Commerce Commission for a well-reasoned argument supporting that view.

The question we seek to address is whether proposed tightening up of current regulations would

2 Financial Services Federation Position Paper – CCCFA and Consumer Credit Reforms, August 2011

have the positive effects intended and whether they would be consistent with the intent of the Act. As was noted by the Financial Services Federation in a letter to James Ryan, Ministry of Consumer Affairs:

> "These contextual factors need to be kept in mind in any review of the operations of CCCFA. Any such review should have as its policy focus the Act's effectiveness in *balancing the proper interests of lenders and those of the majority of consumers whose contracts are regulated by it*. A review of the operation of CCCFA is most appropriate to assess effectiveness and to determine if fine-tuning is necessary. In such a review, concerns raised need to be analysed and quantified to determine whether they have a proper basis and/or whether "a fix" in terms of legislative change will be cost effective across all transactions."[3] (*Emphasis added*)

This white paper addresses a number of explicit or implicit assumptions that are driving the current debate. By exploring the robustness of each assumption, we hope to deepen the debate around current lending regulations and, thereby, contribute to a market that supports "the proper interests of lenders and those of the majority of consumers whose contracts are regulated by it."[4]

4. Key Points

a. People on low incomes are not inherently weaker at choosing what's best for themselves

While rarely stated in these terms, claims that people on low incomes need additional protection (that is, more than the protection granted to more economically affluent citizens) when making borrowing decisions are often predicated on the assumption that such people have poor judgement.

There are a number of problems with this viewpoint. Firstly, even if someone on a low income does borrow for the "wrong reasons", it does not automatically follow that anyone else has the right to force them to do "what's best for them", any more than we have the right to dictate the choices that those on high incomes make. Setting aside the question of who decides what are "good" reasons and what are "bad", one of the principles of a free society is that people should be entitled to choose their own future, even when that choice looks bad to someone else.

Second, there is little evidence to support the view that poor people borrow for the wrong reasons, and plentiful evidence against it. In some cases it is based on the view that borrowing for consumption (rather than investment) is bad. Yet borrowing for such purposes can mean better clothing and nutrition, especially for younger family members, which adds up to investment in future human capital.

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3 Financial Services Federation, letter to James Ryan, Ministry of Consumer Affairs, 16 November 2009

4 ibid.

In a recent interview, Todd Moss, Senior Fellow at the Centre for Global Development[5], had this to say:

> "I think we have some evidence about what poor people do when they are given cash, and actually the results are quite positive. In one sense a concern about consumption is sort of an economist obsession with what would be consumption versus investment. If you are going to provide regular cash transfers to a poor family and they spend it on consumption – what does that actually mean? It probably means better nutrition, more protein, more meat in the family, probably spending on clothing. Now that's consumption to us, but actually if you think about it that is an investment in future human capital because you are actually investing in the future of your children.
>
> "So I actually think that's okay. That's the kind of consumption that would be alright. I also think there is a certain element of paternalism in some of the criticisms that say, "Well poor people don't really know what's good for them", or "They don't really know how to spend money". But I think we actually have pretty good evidence that poor people do know what their priorities are, and they do spend that money pretty effectively."[6]

It is wise to pursue paternalistic reasoning cautiously (Glaeser 2006)[7]. There is a risk of redefining all behaviours you disapprove of as 'self control problems', and all beliefs you disagree with as 'judgement biases'... A risk-averse policy-maker should think long and hard before directly ordering the poor about for their own good.[8]

If the government is to regulate at an individual level, it must also be prepared to accept the downstream fiscal and social costs that will inevitably ensue.

b. There is little evidence that fuller disclosure would provide any real benefits.

There is a view that providing borrowers with more information would enable them to make better choices. Evidence to support this view is sometimes obtained anecdotally, with borrowers reporting surprise at "discovering" the total value of repayments that they would have to make on a loan, for example.

There is no question that fringe lending often includes a lack of disclosure as specified by the CCCFA. Resolving this issue, however, is less a matter of requiring *fuller* disclosure than enforcing the current standard.

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5 A non-profit think tank based in Washington, D.C. that focuses on international development.

6 Transcript of February 2011 interview with ODE Talks, produced by the Office of Development Effectiveness at AusAID, the Australian Government's aid agency. The full interview can be downloaded from http://www.ode.ausaid.gov.au/publications/documents/transcript-mossfeb2011.doc.

7 Edward L. Glaeser, Paternalism and Psychology, University of Chicago Law Review, Vol 73, No. 1 (Winter 2006)

8 Behavioral Economics and Perverse Effects of the Welfare State, Scott Beaulier and Bryan Caplan, KYKLOS, Vol 60 – 2007 – No. 4

The question addressed here is whether the current standard is insufficient to allow borrowers to make informed choices – that is, whether it places too great a burden on the borrower.

The jury may still be out on this question. However, there is strong anecdotal evidence that the real issue for many borrowers is not a lack of information, but a lack of interest in the information that is available.

In its 2009 report on family indebtedness, the Families Commission reported that people accessed high-interest loans for a variety of reasons (*emphasis added*):

> "This was sometimes because it was the only source of credit they could access, sometimes because they did not fully understand what they were agreeing to and *sometimes because they just wanted the item there and then and were not concerned about the consequences*."[9]

Industry experience confirms this. FSF Responsible Lending Guidelines call for disclosure levels that meet global best practice, and it is clear that such disclosure helps most customers make informed choices.

Nonetheless, a significant minority of customers are not concerned about the consequences of the loan and for that reason Responsible Lending Guidelines dictate that the lender must take all measures to confirm that the loan will not impose an undue burden on the borrower.

Rather than introduce greater disclosure requirements, it may be more effective to provide education that supports people in making use of the information that is currently provided by lenders who comply with the law. The issue, as the Families Commission points out below, may not be the *amount* of information currently provided, but borrowers' ability and willingness to apply it to their own circumstances:

> "Families have a responsibility for taking ownership of their financial situation, developing their financial literacy and seeking help before it is too late ... This research shows that when families take action to manage their finances better, their situation improves."[10]

c. "Protecting" people with poor credit histories from themselves can be counterproductive.

While laudable, attempts to protect people with poor credit histories from themselves are fraught with difficulty.

One impact can be the creation of a *de facto* "x strikes and you're out" policy. In the US, for example, most banks will not open a new deposit account for any customer with a black mark

9 NZ Families Commission. Escaping the debt trap. Research report No. 6/09, December 2009, p 61
10 NZ Families Commission. Escaping the debt trap. Research report No. 6/09, December 2009, p 98

against their name on the industry-wide ChexSystem. Of this and other practices, the National Consumer Law Center commented:

> Consumers with low incomes or with blemished credit or ChexSystems histories need access and a second chance. Minimum balance requirements [also] deter many consumers.[11]

Where do people turn when lending conditions are tightened? They either "tighten their belts" or turn to dubious lenders. As the NZ Families Commission noted:

> All six families who said that it had become more difficult to get credit remarked that it used to be easy to access credit. Five … commented that … lenders were tightening up their criteria and making it harder to get finance... Another thought that the banks getting stricter only meant that loan sharks could take advantage of the recession as people like herself who were turned down by the bank were forced to look to fringe lenders for credit.[12]
>
> "... most reported that they had used the worst sorts of credit in terms of interest rates, additional charges and other factors."

There is no doubt that the failure of individual self-control has massive impacts on individuals, families and society. What is less clear is whether attempts to impose self-control on those who seem to lack it will result in beneficial, neutral or negative outcomes.

One thing does seem clear, however: self-control is a limited resource, akin to physical energy. The more one exercises it, the less one has available in the immediate future.

Psychologists call the phenomenon *regulatory depletion*. Experimental psychology has demonstrated that people depleted by prior self-restraint later behave as though they have less capacity for self-control[13]. That is, they perform more poorly at subsequent tasks requiring self-control.

Restricting someone's ability to borrow effectively imposes self-control upon that person. For someone facing limited choices to begin with, the burden of stress thus imposed can create a high demand for self-control – well beyond what might be considered the normal human capacity. Thus, self-regulation becomes more, not less, difficult.

For the well off, such scenarios may not occur often. It's different for those on low incomes, however. Princeton psychologist Eldar Shafir put it succinctly: "almost everything they do requires trade-off thinking." The poor have to make financial trade-off decisions,

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11 Comments of National Consumer Law Center (on behalf of its low income clients) Department of Treasury Financial Access Activities; Comment Request 76 Fed. Reg. 56499 (Sept. 13, 2011)

12 NZ Families Commission. Escaping the debt trap. Research report No. 6/09, December 2009, p 55

13 One of the leading researchers in this field is Roy F. Baumeister. For a good summary of the topic, we refer the interested reader to this paper: The Strength Model of Self-Control. Roy F. Baumeister et al, Association for Psychological Science, Volume 16, No. 6, 2007.

he said, "on anything above a muffin."[14]

Many of these trade-off decisions are weighty and ever-present. Do we pay the rent or buy food? Do we send the children to school or take a sick child to the doctor?

What is the impact of restricting the borrowing ability of people in such situations? There is no clear answer to that question, but we suggest that imposing even more trade-off decisions on this group of people should not be undertaken lightly.

One outcome would be to restrict access to many of the products that the better off take for granted, such as washing machines and dishwashers. These goods are more than conveniences; they free up time and reduce stress. People with access to such goods can give more attention to other matters, like managing finances, organising their children on school days, and so on. It is one reason that so much effort in third world aid is aimed at providing cost-effective time savers such as energy-efficient stoves that reduce the time needed to prepare food.

Government should regulate itself (i.e. effective enforcements of existing regulations) before imposing further regulation on industry, and more importantly on individual borrowers.

d. The current CCCFA is more comprehensive than it is given credit for.

This paper does not address the question of whether more (or better) regulation is needed. However, it is our view that the current Act is not given sufficient credit for what it covers and, moreover, that it has yet to be adequately enforced. This raises two questions:

1. Will introducing further regulations be effective, without first asking whether more rigorous enforcement of current legislation would be sufficiently effective?
2. If current regulations are being only lightly enforced, how can we properly judge their efficacy; that is, whether, in fact, further regulations really are needed?

The evidence for legislation being lightly enforced comes from the authorities themselves, as revealed in this statement from a Ministry of Consumer Affairs report to the Maori Affairs committee on Fringe Lending and Maori:

> "Although oppressive behaviour occurs, it does not appear to be a widespread concern, and the Commerce Commission's practice of dealing with issues on a case-by-case basis is the most appropriate means to deal with such conduct."[15]

One proposed change to the Act is to require greater disclosure from lenders, the assumption being that the current Act does not require sufficient disclosure, or what's more, that greater disclosure would result in better decision making from borrowers. Again, however, our regulatory authorities actually have a more subtle view than this:

14 Quoted in The New Republic, June 6, 2011.
15 Ministry of Consumer Affairs, Report to the Maori Affairs committee on Fringe Lending and Maori, 29 May 2009

> "The extent to which the disclosure of fees actually influences the consumer in making a decision to enter into a contract is in all likelihood minimal."[16]

This is not an argument against full and proper disclosure. It does, however, raise the question of what constitutes such disclosure and whether doing so would influence the choices of many borrowers.

An example of this was given at the Ministry of Consumer Affairs own information session in Auckland in May 2012. A local budget advisor spoke of 40 "garage-based" lenders operating in Mangere. The clear inference was that these were unregistered operators doing business outside the law. They further claimed to have been unsuccessful in having the Commerce Commission act against these lenders.

Nothing in the proposed changes to the CCCFA will address this issue. Indeed, borrowing costs will increase across all lenders while the harm done by "garage based" lenders like those in Mangere remains unaddressed.

The real issue is one of enforcement. While the proposed amendments make the interest and fees on "unregistered loans" uncollectable, this will ultimately have no effect. Such operators will simply build such "costs" into their rates.

The fact that this amendment does not propose that operating without registering be an offence speaks volumes about the core, and fundamentally flawed, imbalance between legislation and enforcement in the current debate. Indeed, there is a very real danger that these amendments will, in fact, drive borrowers *towards* unregistered lenders.

To the extent that an objective of credit legislation is to lower the overall cost of borrowing, one factor not being given sufficient consideration is that of debtor responsibility. The incidence of debtor fraud, sale of securities, and deliberate deception is exceedingly high, with no practical consequences for the debtor, or avenue for creditor protection or recovery. Thus, the actions of a few place a significant cost burden on the many.

e. Tighter regulations have little impact on unscrupulous lenders.

Tighter regulations around lending practices do not necessarily result in reducing the numbers of unscrupulous lenders. The reasons for this are complex, but included among them are the challenges of enforcement.

US experience suggests that tighter, more complex regulations can have a compounding effect on the resources needed by enforcement agencies.

In 2004, the US General Accounting Office reported that as well as being resource intensive, enforcement actions against predatory lending can take many years to reach a conclusion. Consequently, enforcement agencies tended to focus their activities on cases that would have the

16 Ministry of Consumer Affairs, Report to the Maori Affairs committee on Fringe Lending and Maori, 29 May 2009

most impact and gain the most media attention, so to serve as a deterrent.

Thus, it may be that rather than introducing tighter or more regulations, a more effective action could be to focus on more rigorous enforcement of current laws – which may include enforcing laws that are currently largely unenforced.

The aforementioned Ministry of Consumer Affairs report adds some further weight to this view:

> "It is reasonably common to see clauses purporting to take a security interest in all present and after acquired property (PAAP) in consumer credit contracts despite the fact that these clauses breach s 44 of PPSA …
>
> The Ministry is not aware of any court cases having been taken against creditors under the Fair Trading Act for including All PAAP clauses in a consumer credit contract."[17]

Why this lack of enforcement? One reason is limited resources. When enforcement agencies are given wider powers – that is, more regulations to enforce – they tend to select those aspects of legislation that they believe will provide a greater 'return on investment', so to speak.

Representatives from both the US FTC and Department of Justice have stated that enforcement actions can be very resource intensive and can involve years of discovery and litigation. FTC staff have reported that because cases involving predatory lending can be so resource intensive, they focus on the cases that will have the most impact, such as those that may result in large settlements to consumers or that will have some deterrent value by gaining national exposure.[18]

While there is no doubt that effective regulations, coupled with effective enforcement, are important in limiting the number of unscrupulous lenders in the market, it is not clear that more, or more restrictive, regulations results in a greater reduction of such practices and lenders.

f. Legislating against unwanted practices can result in other, worse, practices emerging.

In 1990, the Australian state of Victoria made safety helmets mandatory for all bicycle riders. While there was a reduction in the number of head injuries, the number of juvenile cyclists also fell, which was found to be because young people considered wearing a bicycle helmet unfashionable.[19]

A health benefit model developed at Macquarie University suggested that the net health effect of

17 Ministry of Consumer Affairs, Report to the Maori Affairs committee on Fringe Lending and Maori, 29 May 2009

18 US General Accounting Office, CONSUMER PROTECTION: Federal and State Agencies Face Challenges in Combating Predatory Lending, 2004

19 Mandatory bicycle helmet use following a decade of helmet promotion in Victoria, Australia—An evaluation: Maxwell H. Cameron, A.Peter Vulcan, Caroline F. Finch, Stuart V. Newstead, Monash University Accident Research Centre, 1993.

the law change was negative, as the decrease in exercise caused by reduced cycling outweighed the benefit gained from reduced head injuries.[20]

This research is instructive and can be paralleled with the question of credit availability.

The questions are:

1. To what extent would reducing the availability of legitimate credit to those on low incomes increase the number of people who turn to non-legitimate lenders?

2. Would the impact of any increase in borrowing from non-legitimate lenders outweigh the benefits gained by restricting access to credit by legislation or regulation?

3. What is the social impact of reducing availability of credit? That is, if short term cash needs are not met by legitimate lenders, does this 'gap' end up being bridged by the government and social agencies; and does this cost outweigh the benefits?

These are not easy questions to answer, but it is important to address them before introducing any changes in this area.

g. Tighter regulations reduce the ability of legitimate lenders to provide a service.

The intent of regulations is to reduce predatory lending without restricting legitimate lending. However, it is possible that tightening regulations does, in fact, reduce the capacity of people on low incomes to gain legitimate loans.

Again, US experience is informative. When North Carolina introduced its Anti-Predatory Lending Law in 2000, one intent was to reduce the incidence of subprime lending, and the incidence of such loans did, apparently, fall. However, separate studies came to different conclusions: while some found that the decline in subprime lending was the result of fewer predatory loans, others concluded that the decline had been achieved at the expense of many legitimate loans.

One possible issue was a lack of clear data regarding non-legitimate loans – that is, the type of loan that would be less likely to be reported through normal channels.

One researcher arrived at this conclusion:

> That is, however much the law may have reduced the volume of subprime loans that contained the abusive features the statute targeted ..., there were also unintended consequences for subprime borrowers generally. That is because one or more of the following effects probably were in evidence: a reluctance by lenders to run the risks and/or costs of extending subprime credit in states with antipredatory lending curbs, or an inability by subprime lenders to sell the loans originated in such states to buyers in

20 Piet De Jong, The Health Impact of Mandatory Bicycle Helmet Laws, Macquarie University - Department of Applied Finance and Actuarial Studies, Risk Analysis, 2012

the secondary market.[21]

In other words, one mechanism that can drive legitimate lenders from the market (or at least reduce their willingness to make loans) is increased compliance costs resulting from more regulations. In such situations, some compliance costs will be reflected in higher costs to customers, or more information being required of customers, or in greater barriers to lending.

Because such costs are not typically measured, their extent is difficult – if not impossible – to gauge. Nonetheless, attempts have been made.

One notable attempt is the Crain report from 2010, prepared for the US Small Business Administration Office of Advocacy. One of its findings was that "regulatory costs impose higher burdens on small firms, for which per-employee regulatory costs are higher." It reported that for firms of fewer than 20 employees, such costs can be over 36% higher per employee than for larger firms[22].

This is pertinent, as the industry affected by regulations in the CCCFA arena has many firms with a sound track record of operating legitimately with fewer than 20 employees.

Moreover, since 1998, when New Zealand led the OECD in ease of doing business, other countries have caught up and overtaken us, to the extent that we now sit in the middle of the OECD pack.[23]

Two points arise here. The first is the probability that more regulations will result in greater compliance costs, leading to greater barriers to borrowing for the people who most need this service. The potential for this effect must be taken into account.

The second point relates to fairness and equitable rules. Is it fair to impose a greater burden on legitimate operators in order to target those who are not operating within the rules? While there is no simple answer to this question, we should be very clear about the likely impact of any changes, and the costs versus benefits that will accrue, before making them.

5. Conclusions

Most talk in the current debate around the review of the CCCFA leans towards the view that more regulations are needed. The drivers of this view are twofold: on the one hand, predatory lending practices are believed to be too prevalent, and on the other hand, those on low incomes may need protection against their own poor decision making.

This paper does not dispute that reducing predatory lending practices would be a good thing, or

21 Robert E. Litan, North Carolina's Anti-Predatory Lending Law: Still A Problem Despite New Study, AEI-Brookings Joint Centre for Regulatory Studies, 2003

22 Nicole V. Crain and W. Mark Crain, "The Impact of Regulatory Costs on Small Firms," report prepared for the Contract No. SBAHQ-08-M-0466, September 2010, http://www.sba.gov/ advo/research/rs371tot.pdf.

23 As measured by the OECD's integrrated Product Market Regulation indicators. From New Zealand Government: 2011 Economic Development Indicators, p104.

that protecting people from poor decisions is desirable. However, there is plentiful evidence that attempts to do either can frequently result in the opposite effect than that intended.

The greatest risk in attacking predatory lending practices is collateral damage to legitimate lenders. When this happens, the result is likely to be reduced availability of legitimate loans, and a subsequent increase in borrowers turning to predatory lenders.

While the proposed amendments make the interest and fees on “unregistered loans” uncollectable (a laudable aim), in reality, non-legitimate lenders will simply build such “costs” into their rates. In the meantime, the cost of borrowing will likely increase across the industry and more borrowers will be turned down by legitimate lenders, driving those people towards the very same unregistered lenders that the amendments are aimed against.

Attempting to protect people from their own decisions is fraught with difficulty. Judging what constitutes a poor decision is, in itself, risky – and evidence suggests that those on low incomes are, by and large, very good at deciding what is best for them.

Taking the case that “we” know what's best for someone else, and that imposing restrictions on them does not pose major ethical issues, imposing such regulations may nonetheless be counterproductive. Restricting choice for those already facing limited choices may well result in consistent regulatory depletion, resulting in a near inability to make rational, sound choices in any significant matters, including finances.

That effective regulations are needed in the financial markets is undisputed. The great challenge faced by regulators is striking an effective balance between protecting borrowers from unscrupulous lending practices and their own bad choices, and promoting a healthy market in which people can gain access to funds when they choose, at the lowest possible cost of borrowing.

About the author

Mark Spring is the Managing Director of Thorn Rentals NZ Limited (trading as dtr), a finance company and nationwide retailer of household appliances and furniture. Mark joined dtr in 2005 and, together with company Chairman Gordon Howlett, completed a managed buyout of the business in 2006.

In 2012 dtr celebrated its 50th anniversary, having opened its first store in Howick in 1962. As the first television rental company in New Zealand, dtr made television viewing affordable to thousands of ordinary Kiwis, opening up greater access to the then burgeoning new channel of broadcasting.

As a member of the Financial Services Federation, dtr was a founding signatory to the Federation's Reponsible Lending Guidelines in 2010, which underlines the company's firm commitment to be a responsible lender.

Prior to joining dtr, Mark held a range of senior management positions in New Zealand and Australia with companies such as Inchcape, Ricoh, Pitney Bowes and NZ Post subsidiary Datamail. Mark holds a Master of Business Administration from the University of Auckland.