

**SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT**

Submitted By: Jessica Buxton

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

Hi there,

My name is Jessica, i'm a 26 year (well-educated) woman who has been stung several times by the finance industry. Thank you for taking the time to read this submission, I will briefly outline my experience and some changes that I feel need to be made.

Recently my car has been having some issues, and although it has served me well I thought that it may be time to upgrade to a newer model. Trying to be financially responsible, I figured that I could afford a loan of around \$10,000, but was unsure as to how much this would cost me per week. I went on a couple of different websites which had car loan repayment calculators in order to try and find out what I would be putting into my weekly budget, I filled out a couple of forms and was contacted by three companies regarding my submissions. I explained to both that I was interested in know what my repayments would be on the loans. One company asked for me to send through some payslips and my drivers license, sent me some "pre approval" forms to sign as soon as possible in order to get the enquiry through. Another company didn't even ask for this, they just asked me a few standard questions over the phone. At this time I was led to believe I was just finding out about the cost my repayments - no one would give me any information about my repayments until the forms were completed and documents were signed. One company then asked me for bank statements as a final step to submit an application, to which I replied I'd rather leave it for now as I didn't want any credit enquires on my account.

The next day, one company which I had emailed gave me a phone call asking if I had already applied for 2 car loans the day before. No, I told him. I had been speaking to some people about getting pre-approval but no one had told me I actually had signed up for these loans. I didn't even know which lenders had been contacted. That day my credit rating dropped from Very Good to Below Average.

After becoming terrified about this situation I called the company and asked them about why they had submitted this application without my permission - the amount that they applied for was also \$2500 more than we had discussed. They told me that it was all in the privacy statement, one of three documents which the lender has sent for me to sign which was six pages fine print. The lender had contacted me straight after sending the forms and said to sign them "as soon as i receive them" in order to "keep moving forward". It was all just routine. Until my credit rating was ruined.

As i have learnt, this situation is not uncommon. Finance companies and their staff motivated by commissions constantly put in submissions against people's credit file without their knowledge of the consequences. For them they may think all in a days work, for me it has the potential to ruin my chances of purchasing a home in the next few years - it is completely devastating.

I don't think it will take much to change this system. From my perspective, some small changes would have completely avoided this. We need to have these changes implemented to be fair to consumers. The changes I see necessary are:

1. Enquires regarding the cost of loan repayments should be accessible to consumers BEFORE they submit an application. I should not have to submit a loan application to find out what my exact repayments would be.
2. It has to be compulsory for lenders to tell consumers outright if they are about to submit an application against their credit file, including the amount which is on the application. It must be obvious, and not among the fine print. It cannot be worded differently and smacked on disguised as something else at the end of a form, it must be a highlighted to consumers and require a separate signature. Consumers deserve to know if they are about to make a decision that can significantly effect their financial wellbeing.
3. We need to look at the credit rating system. Applying for the same type of loan or credit card from two providers on the same day is obviously an enquiry for comparison/options and not someone trying to get multiple forms of credit.

Please don't hesitate to get in contact if you have any further questions

Thank you

Jessica Buxton