



Wednesday, November 23, 2011

## Payday Lenders Say ASIC Report Will Reinforce Compliance

The National Financial Services Federation said today that it is committed to ensuring all its members further develop their responsible lending procedures under the National Consumer Credit Protection Act and welcomed the Australian Securities and Investments Commission's assistance in ensuring compliance.

ASIC reviewed the practices of payday and other short-term small amount lenders in the first six months of the new responsible lending regime, which came into force in July 2010.

ASIC found that a majority of lenders were aware of and were taking steps to comply with their responsible lending obligations but that further improvements were needed.

"The National Financial Services Federation and its members have embraced the introduction of national laws on responsible lending. It has been a learning experience for both the industry and ASIC and we appreciate the approach ASIC has taken in working with the industry in the early days of this new regulatory regime," said NFSF Chairman Mark Redmond.

"We are committed to responsible lending obligations under the National Consumer Credit Protection Act and have devoted significant resources to ensuring we meet these regulations," Mr Redmond said.

"ASIC's report along with ongoing consultation with the regulator will reinforce improved processes used by lenders," he said.

NFSF Chief Executive Phil Johns said a number of licensed lenders had joined the peak body and subscribed to updates from ASIC to ensure that they were complying with the new regulations.

"It is important to note that the micro-lending industry has changed its practices and that ASIC found lenders on the whole were meeting their new obligations," Mr Johns said.

"Specifically, ASIC found that the lenders' customer files that it reviewed were generally compliant and that lenders met their pre-contractual disclosure obligations in most instances," Mr Johns said.

*The National Financial Services Federation is the peak industry body of the micro-lending industry, representing more than 280 ASIC-licensed members including Cash Converters, the nation's largest short-term lender. The NFSF's aim is to promote responsible consumer lending, the enhancement of customer service and build greater government and community understanding of the need for a viable small amount short term and alternate finance industry throughout Australia.*

---

For further information, contact:  
Mark Redmond,  
Chairman,  
08 8269 1525 / 0400 560 251

Phil Johns,  
CEO,  
07 3629 3300 / 0412 509 010