



Speech by

# Hon. Peter Lawlor

MEMBER FOR SOUTHPORT

Hansard Tuesday, 16 June 2009

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## MINISTERIAL STATEMENT

### Payday Lending

**Hon. PJ LAWLOR** (Southport—ALP) (Minister for Tourism and Fair Trading) (10.15 am): In these tough economic times, people sometimes are forced into taking out loans to make ends meet. Unfortunately for these people there are businesses that prey on this need. The Bligh government is not willing to sit back and let dodgy payday lenders rip off vulnerable Queenslanders.

My department's Fair Trading inspectors have recovered more than \$978,000 for payday lender customers as part of a recent crackdown. Payday lenders from Beenleigh to Cairns have agreed to pay back \$978,861 to more than 1,680 cash strapped customers. The industry blitz by Fair Trading was designed to enforce Queensland's tough new laws targeting excessive interest rates and charges. Inspectors have conducted spot checks on 178 credit providers since 1 July 2008. They have now negotiated the recovery of some \$978,000 in excess interest and fees at an average of over \$580 per customer, with further reimbursements likely.

The lenders concerned have also agreed to pay \$55,000 to the Consumer Credit Fund, which is used to support the enforcement and promotion of state credit laws. Inspectors have issued 14 warnings and executed 57 conduct deeds with 63 companies in relation to various alleged breaches, from incorrect charging to contractual disclosure issues.

The Bligh government is determined to protect disadvantaged Queenslanders facing even greater challenges as a result of the global financial crisis. Fair Trading inspectors will continue to monitor the industry closely and will not hesitate to prosecute rogue traders who persist in ripping off their customers. The new laws capping interest rates and other loan charges have now been in force for more than nine months, so there is no excuse for further infringements.

The blitz identified numerous breaches including excessive interest rates, failure to disclose brokerage fees, failure to disclose to whom commissions were payable, failure to state total payments, failure to adequately inform consumers of their legal rights and failure to make the required disclosures in statements of account. The Bligh government will not step away from its commitment to protect Queenslanders no matter how tough times get.