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PRESS RELEASE

www.consumersfiji.org

Council embarks on increasing financial protection and building credit competency for vulnerable consumers

The Consumer Council of Fiji, with assistance from Australian Aid Program (AUSAID), will soon embark on empowering consumers in Fiji with increased credit knowledge to enhance their ability to make informed choices while accessing credits and to manage their debt responsibly. Early this year, the Council signed an agreement with AUSAID for AUD150, 000 (approx F\$273,930) for its project “*Consumer Financial Protection & Building Credit Competency for Vulnerable Groups*”.

The overall objective of this AUSAID funded project is to empower consumers with knowledge on credit such as hire purchase, loans and mortgage and with that of other complex financial products and services so that consumers are able to make informed choices while accessing these products on credits.

Majority of credit problems arise because consumers lack understanding of their rights and responsibilities when borrowing from credit providers. Lack of understanding of the implications of credit contracts, over committing to credits and unable to make repayments and not aware of their protection under Act are some of the common problems faced by the consumers.

Rapid innovation in the financial sector has brought about many complex financial products as well as increasing financial risks. This has resulted in a very difficult situation for average consumers who find it hard to cope and keep up with the ever-changing financial sector; which is also extremely essential for them. The Council believes that the need to teach consumers how to spend, save, invest, borrow and manage debt wisely has become more important than ever. Hence improving consumer financial literacy and awareness in the credit area has become a critical need.

Under the **Consumer Financial Protection & Building Credit Competency for Vulnerable Groups project**, the Council will work on analyzing the Consumer Credit Act 1999 and Regulations 2009 and translating it into simple (including vernacular) language which is readily understood by consumers at the grassroots level. Awareness will be raised on various provisions in the Act so that consumers can seek pre-contractual disclosures and vital information necessary to make informed choices. Council also plans to run “**Read Before you Sign**” campaign to raise awareness of consumers’ financial obligation when signing a contract.

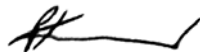
The Council will target consumers in both urban and rural areas however particular attention will be given to those in villages, squatter settlements and outer island communities. There will also be workshops and seminars designed for specific target groups such as women who manage their household income.

The AUSAID funded project will also aim at fostering network with the credit/financial institutions in the country to ensure financial service providers are following the requirements stipulated in the Act. In addition to this, we will also advocate for stringent regulations against any bad market practices such as non-compliance with the Act.

The first phase of the project, which includes reviewing the Consumer Credit Act 1999 and Regulations 2009 and developing resource materials on this in simple language-, is being undertaken. Council expects to start its massive awareness campaign on credit competency in few months time.

All in all Council's project aims to promote and encourage holistic change in the way consumers use and manage their money (income) with shrewd spending habits combined with debt management skills.

Council is grateful to AUSAID for its support and funding. AUSAID has always helped the Council and the consumers of this country by funding our many projects.



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Premila Kumar
Chief Executive Officer