



**HEAD OFFICE**

4 Carnavon Street  
Private Mail Bag  
GPO, Suva  
Phone - General Office: 3300792, 3310183  
Chief Executive Officer: 3305864  
Fax: 3300115 Email: [complaints@consumersfiji.org](mailto:complaints@consumersfiji.org)

**LAUTOKA/West**

Suite 4 Popular Building  
Vidilo Street  
PO Box 5396, Lautoka  
Phone: 6664987  
Email: [consumerlwk@connect.com.fj](mailto:consumerlwk@connect.com.fj)

**LABASA/North**

Level 1, Lot 41 Raza Properties Ltd  
Nasekula Road  
PO Box 64, Labasa  
Phone: 8812559  
Email: [colbs@connect.com.fj](mailto:colbs@connect.com.fj)

April 11, 2011

PRESS RELEASE

[www.consumersfiji.org](http://www.consumersfiji.org)

## Council to critically examine hire purchase market in Fiji

The Consumer Council of Fiji is in the process of conducting a comprehensive survey to establish the problems faced by the consumers when buying goods and services on hire purchase (HP). This is because of the large number of complaints received on HP. In the past four years, Council has received 225 complaints on HP. This does not include complaints registered with other authorities or those that are never officially lodged because of consumers' lack of awareness.

HP has consistently featured in the top ten most recurring complaints received with the Council annually. Consumers use HP to buy major items such as cars, furniture, computers, electrical goods etc. Shops selling goods on HP make it look easy and affordable- consumers make a small deposit (in most cases just a dollar), take home the item and continue paying monthly installments.

An assessment of complaints received by the Council shows that majority of the credit problems are because consumers lack understanding of their when borrowing from credit providers. Lack of understanding of the implications of credit contracts, over committing to credits and unable to make repayments and unaware of their protection under the Consumer Credit Act 1999 and Regulations 2009 (law covering HP in Fiji) are some of the common problems faced by the consumers. Other issues are where some HP companies in Fiji are not aware of their responsibilities under the Consumer Credit Act which causes dispute.

The Council under its AUSAID project "*Consumer Financial Protection & Building Credit Competency for Vulnerable Groups*" will look at strengths, weaknesses and deficiencies in the HP provisions of the Consumer Credit Act and suggest ways to improve consumers' ability to obtain a credit facility in a just and fair manner.

Council will also develop resource materials to educate consumers relying on HP to build their assets. The resource materials will include case studies to highlight consumer problem and protection available under the Consumer Credit Act. Some of the particular aspects the Council will look at in relation to HP are:

- To see if credit providers are transparent while providing accurate and full information as part of good faith disclosure under the laws;
- The penalty provision for late payment and how the consumer is protected from unfair foreclosure or seizure of properties; and

We 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 household income.

Council has received AUD 150,000 (approx F\$273,930) which will be used in empowering consumers with knowledge on credit such as HP, 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.

Currently, 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 the next few months.



.....  
**Premila Kumar**  
**Chief Executive Officer**