

Hobart Community Legal Service Inc endorses the submission made by the Consumer Action Law Centre in conjunction with Consumer Credit Legal Centre NSW and Financial Counselling Australia.

We believe that a 48 per cent cap on costs is an important effective consumer protection and agree with the comments made in the above submission.

It is our belief that these types of high cost, short term loans prey on the vulnerable and disadvantaged and cause them further hardship due to their unfavourable terms for the consumer. Access to alternative lower cost financial or other assistance is extremely important to this group of consumers and the only alternative to the high cost short term loans that they are often forced to resort to. Until Centrelink Benefits such as Newstart Allowance become a sustainable amount for people to be able to live on it is important that proper protections are in place so that vulnerable consumers are properly protected against these high cost loans.

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