

What warning?

Observations about mandated warnings on payday lender websites

Consumer Action Law Centre
August 2013



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About this report

Consumer Action is an independent, not-for-profit, campaign-focused casework and policy organisation. Consumer Action offers free legal advice, pursues consumer litigation and provides financial counselling to vulnerable and disadvantaged consumers across Victoria. Consumer Action is also a nationally-recognised and influential policy and research body, pursuing a law reform agenda across a range of important consumer issues at a governmental level, in the media, and in the community directly.

Research for this report was undertaken in April, June and August 2013, and involved a desktop review of seven market leaders in the short term credit loan industry. All dates on which the websites were accessed are recorded with each screenshot as a record of the site at the time of viewing.

For more information, contact campaigns@consumeraction.org.au

Payday lending reforms and warnings

Many low income earners take out payday loans to pay basic living costs but then find they can't afford essentials like food and rent. So they take another payday loan which, if they can't make the repayments, sends them into a spiral of debt. Given the risks involved, the Federal Government enacted new laws regulating payday loans or 'small amount credit contracts' in 2012. The new requirements include mandated warnings that are designed enable consumers to consider alternative and lower cost options before committing to a payday loan.

While consumer advocates pushed for more stringent protections, Consumer Action Law Centre welcomed the Consumer Credit Legislation Amendment (Enhancements) Act 2012 (Cth) (the Enhancements Act) which nationally regulated payday lending for the first time. The legislation imposed caps on the cost of credit and new responsible lending standards, in addition to the mandatory warnings. These warnings, which are required to be provided on lenders' websites, in stores and during telephone discussions, came into effect on 1 March 2013.

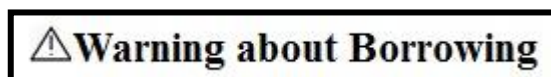
Consumer Action Law Centre supports changes that ensure consumers have clear and visible information about the true cost of payday loans, with associated warnings. However, we are concerned that lenders' implementation of the new requirements are not necessarily ensuring that consumers are provided with sufficient warning. While not assessing compliance with the letter of the law, this report assesses lenders' website warnings and makes findings about their effectiveness from a consumer perspective.

Warnings—legislative requirements

Section 124B of the *National Consumer Credit Protection Act 2009* (Cth) (**NCCPA**) requires that a credit licensee who provides, or is able to provide, credit assistance in relation to small credit contracts must ensure that any website of the licensee complies with the requirements prescribed by the regulations. Similarly, section 133CB of the NCCPA imposes the same obligation on a licensee who enters into, or is able to enter into, small amount credit contracts under which it is the credit provider.

Regulation 28XXB of the *National Consumer Credit Protection Regulations 2010* (Cth) prescribes two sets of specific requirements in relation to warnings on a licensee's websites. A full copy of the regulation is attached as an appendix.

The first requires that a webpage which contains information about the benefits or characteristics of small amount credit contracts must contain a hyperlink, in the form of a boxed icon and the words "Warning about Borrowing" as displayed below:



The text in this box must be displayed in a size that is not smaller than it would appear on the webpage using Arial font and 12 points in size. When this hyperlink is clicked, it must open up a warning.

The warning required by these regulations must use the Arial typeface and, unless otherwise mentioned, be displayed in a size not smaller than 10 point Arial font. The warning must be as set out in Schedule 9 and requires the words "WARNING - Do you really need a loan today?" to be displayed at the start of the warning and in bold font. The full text of the warning is as follows:

⚠ Do you really need a loan today?*

It can be expensive to borrow small amounts of money
and borrowing may not solve your money problems.

Check your options before you borrow:

- For information about other options for managing bills and debts, ring 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor
- Talk to your electricity, gas, phone or water provider to see if you can work out a payment plan
- If you are on government benefits, ask if you can receive an advance from Centrelink: Phone: 13 17 94

The Government's MoneySmart website shows you how small amount loans work and suggests other options that may help you.

* This statement is an Australian Government requirement under the
National Consumer Credit Protection Act 2009.

The second set of requirements relate to an access point or link that would take a person to a webpage where the person can apply for a small amount credit contract. Here, a warning must immediately appear when such an access point or link is clicked. An application form for a small amount credit contract must not be able to be accessed until the identical warning to that described above is closed or acknowledged.

The explanatory memorandum to the bill that introduced these legislative requirements into parliament states that the "disclosure requirements will consist of a short, high-impact statement advising of the availability of both sources of assistance and alternative no cost or low cost sources of credit". The Minister for Financial Services and Superannuation, in his second reading speech introducing the bill, stated:

"we think more could be done to encourage consumers to utilise other cheaper options. There are currently cheaper alternatives to small-amount loans, such as Centrelink advances, utility hardship programs from the large utility companies, and no-interest and low-interest microfinance schemes. Under these reforms small-amount lenders will be required to disclose the availability of these options to their customers. And lenders who generate their businesses from websites will be required to provide a link to the ASIC website at moneysmart.gov.au."

It is with these purposes in mind that this report has been developed.

Findings and recommendations

Consumer Action reviewed the online warnings of Nimble, Money 3, Cash Converters, Cash Store, Cash Train, Credit24 and Teleloans, all of which had attempted to introduce warning disclosures. While not assessing compliance with the legislative requirements, our review identified a number of areas of concern with some websites, including:

- Warnings did not appear to display in a way that would attract consumer attention;
- Warning text seemed to be incorrect or incomplete; and
- In some instances, a consumer did not appear to have to acknowledge warnings before accessing a loan application.

Our experience in reviewing websites found that we were not drawn to some warnings because the warning was in difficult to read font, or at the bottom of the website requiring us to scroll down the page to find it. We found one warning particularly difficult to see because it was in the same colour as the background.

This review looks at only a small number of online payday lenders, but demonstrates that a broader investigation by the Australian Securities and Investments Commission (**ASIC**) is warranted. Consumer Action considers that ASIC is well placed to commence a detailed investigation of the online lending market in order to more closely assess online payday lenders' compliance with the disclosure requirements. Further, should such a study reveal compliance, we believe that warnings should be "consumer tested" to confirm that the requirements do indeed result in consumers being aware of the high-cost of, and alternatives to, payday lending. Such consumer testing can inform the effectiveness of the regulatory requirements in achieving their end.

Consumer Action also urges ASIC to publicise findings of lenders' compliance with the disclosure requirements, and undertake enforcement action where appropriate. This may include suspension of the credit licenses and websites of the businesses that do not comply with the regulations, or other remedies as appropriate.

Nimble

Nimble's "Warning About Borrowing" appears to use the correct form and wording, but the warning itself is located at the bottom of the webpage and not clearly visible within the active viewing pane. That meant we had to scroll down to find it. As it was also in the same colour as the background, it was difficult to find and read.

The screenshot shows the Nimble website homepage. At the top, there is a red navigation bar with the Nimble logo (a rabbit) and the tagline "SMART LITTLE LOANS". The navigation menu includes "How it works", "Costs", "FAQs", "About Us", and "Apply Now". A "Member Login" button is in the top right corner.

The main content area features a large yellow button that says "APPLY NOW" with the text "Apply in 5 minutes." below it. To the left, there is promotional text: "Get up to \$1200 paid within 60 minutes. Select how much you need. Apply in 5 minutes. Problem solved." Below this are icons and text for "\$100 - \$1200 for up to 50 days", "5 minute application", "Decision in minutes", and "Paid in 60 minutes".

There are several award logos and media mentions, including "McAfee SECURE TESTED 08-AUG", "Credit Ombudsman Service Limited", "PLATINUM AWARD AUSTRALIAN CUSTOMER SERVICE AWARDS 2013", "fast 100 2012", "50 smart", "Q400", "AUSTRALIAN BUSINESS AWARDS", "Daily Telegraph", and "FINANCIAL REVIEW".

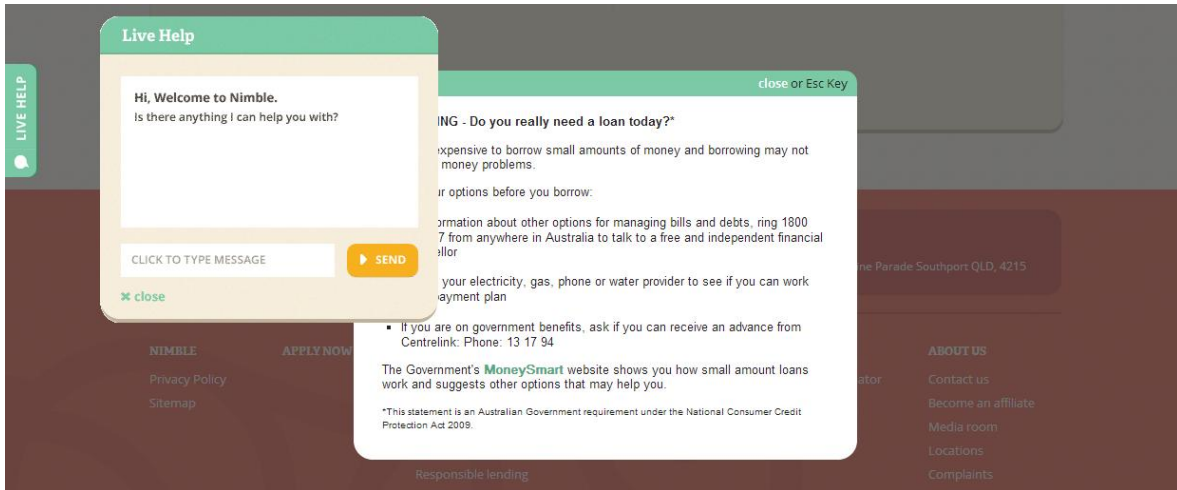
A large statistic states: "We've approved 327,505 loans since 2005." Below this is a section titled "Why thousands of people choose Nimble." with the text: "It's a totally new way of borrowing money. We've developed a unique technology to give you a truly fast decision online. You'll know whether you're approved quickly so you aren't waiting around for ages to get a decision."

At the bottom of the page, there is a footer with a red background. It contains a "Warning about Borrowing" link in a small, light-colored box. Other footer links include "Privacy Policy", "Sitemap", "How much does it cost?", "Nimble VISA Prepaid Card", "Nimble Mobile", "Responsible lending", "Loan calculator", "Contact us", "Become an affiliate", "Media room", "Locations", "Complaints", and "Careers at Nimble".

Copyright © 2013 nimble.com.au (owned by Nimble Australia Pty Ltd ABN 91 135 501 807 Tja Nimble, ACL 386010)

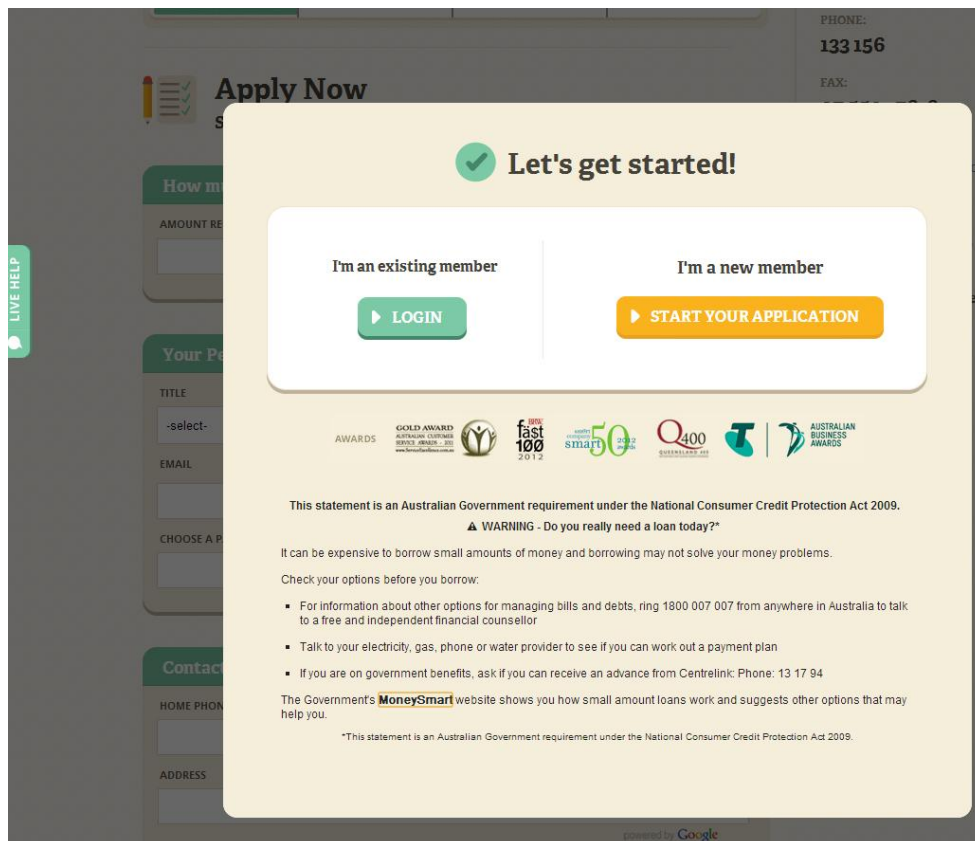
Source: <http://nimble.com.au> accessed 9 August 2013

We also found that after clicking the "Warning About Borrowing" link, the warning advice was partially obscured by a "Live Help" button that appears to pop up if there is a time lapse between opening the warning and taking any action.



Source: <https://nimble.com.au/> accessed 26 June 2013

Clicking the 'Apply Now' button on Nimble's home page produced a pop up with the prescribed information; however the placement of the buttons to "start your application" above the warning text drew our attention away from that critical information.

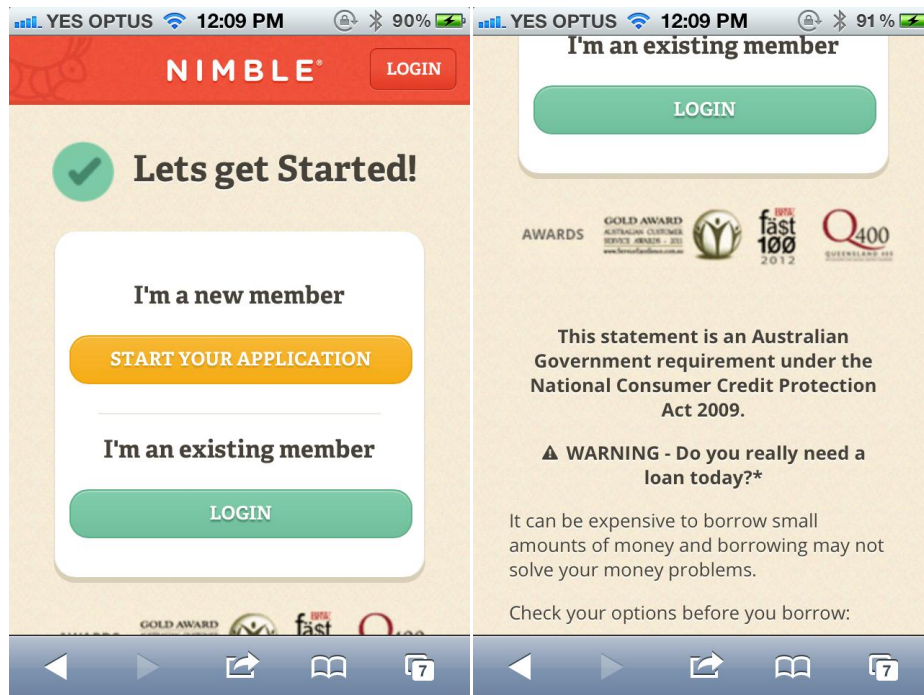


Source: <https://nimble.com.au/Apply/> accessed 26 June 2013

Under the law, an application form for a loan should not be accessible until the warning is "closed or acknowledged". The regulation appears to contemplate that a user will interact

with the warning in some way. Here, however, we found that we did not really interact with the warning, but rather were invited to make a selection as to whether we were an existing or new member.

Nimble also has a mobile site that allows consumers to apply for a loan. When we viewed the site, we had to scroll down to view the warning, which lessened its impact. Similar to the main website, when clicking "Get started now" or "Apply now", the mobile site allows you to "start your application" or "login" before scrolling down to view the warning.



Source: <https://nimble.com.au/Apply/NCCP/> accessed 11 April 2013

Money3

Money3's "Warning About Borrowing"¹ is located at the bottom of the page, away from the Apply Now buttons.

The screenshot shows the Money3 website interface. At the top, there is a navigation bar with the Money3 logo and a menu including Home, Fast Cash, Vehicle Finance, Vehicle Lease, Other Services, Locations, and Blog. A secondary navigation bar contains 'Call us' (1300 666 393), 'Request a callback', and 'Locations' (Find your nearest Money3 Branch with a postcode field). Below this is a banner for 'Been refused credit? Get cash in your hand today.' featuring a family photo. The main content area has three columns: 'Need cash fast?' (Quick Cash, up to \$5,000), 'Vehicle Finance' (Loans up to \$20,000), and 'Vehicle Lease' (Loans up to \$20,000). Each column lists benefits like '2 Minute application' and 'Bad Credit? No problem!'. A 'thawte' security logo is present. Below are logos for ASX, NSF, MFAA, and Credit Ombudsman Service. Two sections follow: 'Why money3?' with a list of benefits (e.g., 'Small cash loans for as little as \$100') and 'What our customers are saying' with a testimonial from Garry, a father of three. At the bottom center, a 'Warning about borrowing' icon is displayed.

Source: <http://www.money3.com.au/> accessed 9 August 2013

¹ When we first visited the Money3 website in June 2013, we found that the "Warning About Borrowing" icon that appeared on Money 3's website was just a graphic that did not open the prescribed warning. When we checked again in August, Money 3 had updated their entire website and now had an active link to the "Warning about Borrowing" icon.

We clicked the “Apply Now” button in the prominent “Need cash fast?” boxed section. A drop down menu appeared, asking us for our name, email address, mobile number and amount required and click ‘apply’, at which point the warning pop up appeared. We only had to acknowledge the warning after providing personal application information, rather than before beginning the application process.

The screenshot shows the Money3 website's main navigation bar with links for Home, Fast Cash, Vehicle Finance, Vehicle Lease, Other Services, Locations, and Blog. Below the navigation is a banner with a family photo and the text "Been refused credit? Get cash in your hand today." A central statistic states "We have helped 56,500 Australians with instant cash loans." Three main service boxes are displayed: "QUICK CASH UP TO \$5,000", "LOANS UP TO \$20,000" for "Vehicle Finance", and "LOANS UP TO \$20,000" for "Vehicle Lease". Each box includes a brief description of the service and an "Apply now" button. Below the boxes is a form with fields for "First name", "Email", "Mobile", and "\$ amount required", followed by an "Apply" button. To the right of the form is a list of benefits: "2 Minute application", "Bad Credit? No problem!", "Understanding customer service", and "Get your money today!". A small logo for "thawte" is visible at the bottom of the form area.

Source: <http://www.money3.com.au/> accessed 9 August 2013

We also noticed that the pop up box that appeared did not use the word “WARNING”, the key term to alert consumers to important information.

The screenshot shows a warning pop-up box with a dark background and white text. The title is "Do you really need a loan today?*" with a warning icon. The text explains that borrowing small amounts can be expensive and suggests checking options before borrowing. It provides contact information for financial counselling (1800 007 007) and advice on government benefits (Centrelink, 13 17 94). A note mentions the Australian Government requirement under the National Consumer Credit Protection Act 2009. On the right side, there is a section titled "Nearly there" with three steps: "1 Submit your request", "2 Complete the remaining secure form", and "3 One of our representatives will call to confirm". A "Close X" button is in the top right corner, and an "I Acknowledge" button is at the bottom center.

Source: <http://www.money3.com.au/> accessed 9 August 2013

Cash Converters

Cash Converter's home page has the required "Warning about Borrowing" at the bottom right of the page, below the box containing the information "Need a loan?" and "Apply online now". When we clicked "Apply now", the correct warning text pops up and we had to accept the warning before proceeding with the loan.

The screenshot displays the Cash Converters website interface. At the top, the logo "cashconverters" is followed by the tagline "convert your thinking". A navigation menu includes links for Home, Buy From Us, Sell To Us, Personal Finance, Store Locator, About Us, Join Us, Shareholders, and Contact Us. Below the navigation, there is a login section with fields for Email Address and Password, and a LOGIN button. A sidebar on the left contains a menu with options: Home, Loan Costs, Our Loan Types, ID Requirements, and Responsible Lending, along with an "APPLY NOW" button. The main content area features the headline "Simple cash loans to help you get on with life." and a "Warning About Borrowing" pop-up window. The pop-up contains the following text:

Warning About Borrowing

Warning About Small Amount Credit Contracts

Do you really need a loan today?*

It can be expensive to borrow small amounts of money and borrowing may not solve your money problems. Check your options before you borrow:

- For information about other options for managing bills and debts, ring 1800 007 007 from anywhere in Australia to talk to a free and Independent financial counsellor
- Talk to your electricity, gas, phone or water provider to see if you can work out a payment plan
- If you are on government benefits, ask if you can receive an advance from [Centrelink](#); Phone 13 17 94
- The Government's MoneySmart website shows you how small amount loans work and suggests other options that may help you.

* This statement is an Australian Government requirement under the National Consumer Credit Protection Act 2009.

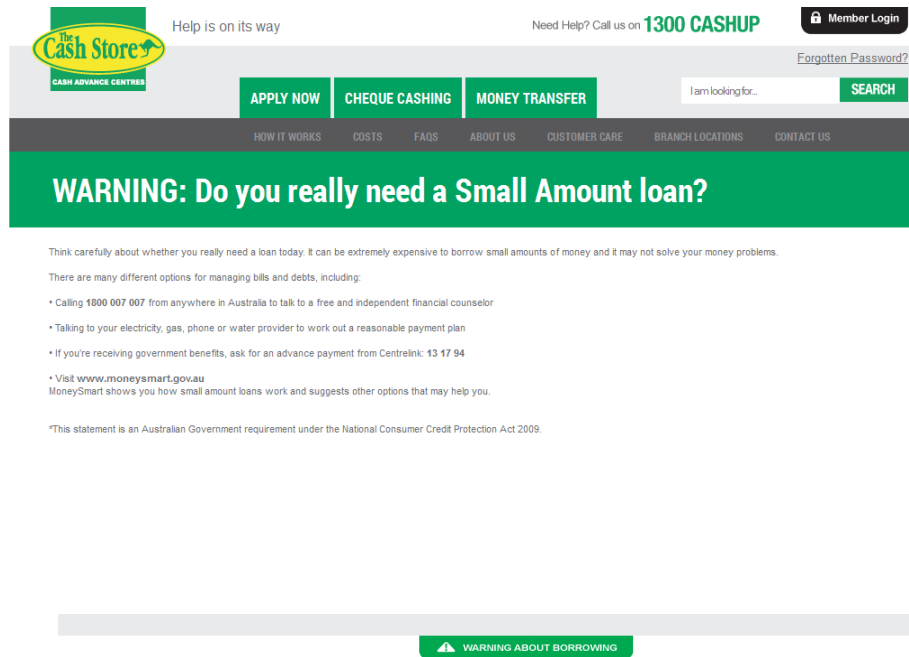
OK

Below the pop-up, there is a form with a "Loan amount" field set to "\$1000" and an "APPLY NOW" button. A "Warning About Borrowing" icon is visible next to the button. At the bottom, there is a section titled "Different Loan Types" with links for Cash Loans, Payday Loans, Personal Loans, Unsecured Loans, Bad Credit Loans, and Cash Advance Loans.

Source: <https://cashloans.cashconverters.com.au/> accessed 26 June 2013

The Cash Store

Cash Store's website has the "Warning About Borrowing" information placed at the bottom of the main page in theme colours, perhaps lessening its "high impact". It was nevertheless reasonably easy to see and the text that followed on a stand-alone webpage was as we would expect from reading the regulatory requirements.



The screenshot shows the Cash Store website home page. At the top, there is a navigation bar with the Cash Store logo, a search bar, and links for 'APPLY NOW', 'CHEQUE CASHING', and 'MONEY TRANSFER'. Below the navigation bar is a green banner with the text 'WARNING: Do you really need a Small Amount loan?'. The banner contains the following text:

Think carefully about whether you really need a loan today. It can be extremely expensive to borrow small amounts of money and it may not solve your money problems.

There are many different options for managing bills and debts, including:

- Calling 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor
- Talking to your electricity, gas, phone or water provider to work out a reasonable payment plan
- If you're receiving government benefits, ask for an advance payment from Centrelink: 13 17 94
- Visit www.moneysmart.gov.au

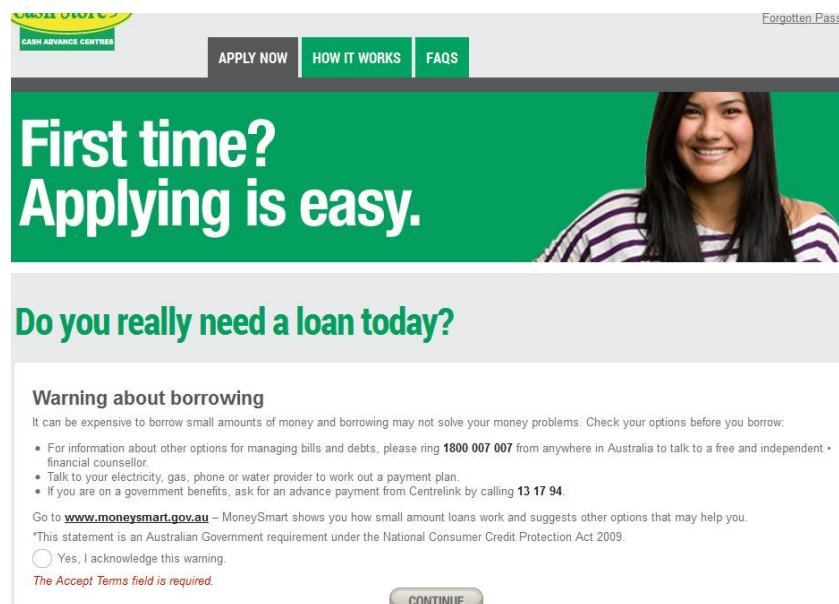
MoneySmart shows you how small amount loans work and suggests other options that may help you.

*This statement is an Australian Government requirement under the National Consumer Credit Protection Act 2009.

At the bottom of the page, there is a green button with a warning icon and the text 'WARNING ABOUT BORROWING'.

Source: <http://www.cashstore.com.au/warning-about-borrowing> accessed 9 August 2013

When we pressed "Apply now", a new page opened with the required warning which required us to tick "Yes, I acknowledge this warning" before moving to the application".



The screenshot shows the Cash Store website application page. At the top, there is a navigation bar with the Cash Store logo, a search bar, and links for 'APPLY NOW', 'HOW IT WORKS', and 'FAQS'. Below the navigation bar is a green banner with the text 'First time? Applying is easy.' and a photo of a smiling woman. Below the banner is a green banner with the text 'Do you really need a loan today?'. The banner contains the following text:

Warning about borrowing

It can be expensive to borrow small amounts of money and borrowing may not solve your money problems. Check your options before you borrow.

- For information about other options for managing bills and debts, please ring 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor.
- Talk to your electricity, gas, phone or water provider to work out a payment plan.
- If you are on a government benefits, ask for an advance payment from Centrelink by calling 13 17 94.

Go to www.moneysmart.gov.au - MoneySmart shows you how small amount loans work and suggests other options that may help you.

*This statement is an Australian Government requirement under the National Consumer Credit Protection Act 2009.

Yes, I acknowledge this warning.

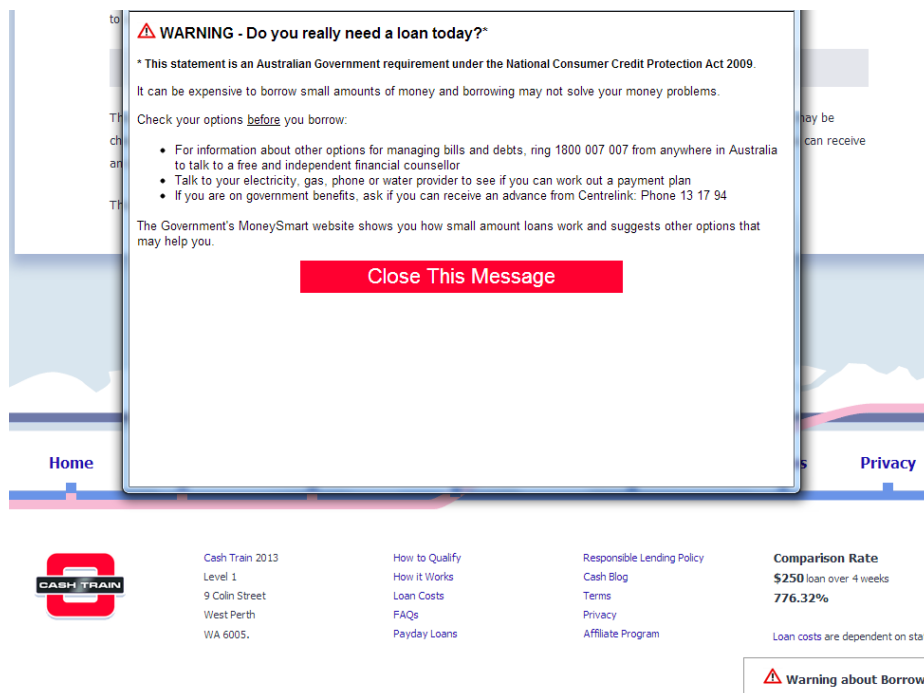
The Accept Terms field is required.

At the bottom of the page, there is a green button with the text 'CONTINUE'.

Source: <https://www.cashstore.com.au/applications> accessed 9 August 2013

Cash Train

Cash Train's website warning was difficult to find, as it was down in the bottom right hand corner of the website. The main page has a lot of text and it takes a long time to scroll to the bottom, meaning that the warning is some distance from the 'Apply now' button, which appears three times before the warning button is eventually seen. The text of the warning itself does appear to meet the regulatory requirements.



The screenshot shows a warning message box overlaid on the Cash Train website. The message is titled "WARNING - Do you really need a loan today?" and includes the following text:

* This statement is an Australian Government requirement under the National Consumer Credit Protection Act 2009.
It can be expensive to borrow small amounts of money and borrowing may not solve your money problems.
Check your options before you borrow:

- For information about other options for managing bills and debts, ring 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor
- Talk to your electricity, gas, phone or water provider to see if you can work out a payment plan
- If you are on government benefits, ask if you can receive an advance from Centrelink. Phone 13 17 94

The Government's MoneySmart website shows you how small amount loans work and suggests other options that may help you.

At the bottom of the message box is a red button that says "Close This Message".

The background of the website shows a navigation menu with "Home" and "Privacy" links, and a footer with the Cash Train logo, contact information, and various links.

Source: <http://www.cashtrain.com.au/> accessed 26 June 2013

Cash Train's website also has another warning just above this one as part of its main text, entitled "Financial Health Warning". The text here is not the same as that required by the regulations, but the warning concludes with "This statement is in line with our responsible lending obligations under the National Consumer Credit Protection Act 2009". We consider that a consumer who reviews this home page is far more likely to see this "Financial Health Warning" rather than the more complete "Warning about Borrowing" pop-up below it.

Financial Health Warning

This website only offers short term loans. Short term loans can be expensive and may not solve your money problems. There may be cheaper borrowing options and/or other assistance available to you. For example, if you are on Government benefits, ask if you can receive an advance from Centrelink. To decide if this product is right for you, please review our website carefully.

This statement is in line with our responsible lending obligations under the National Consumer Credit Protection Act 2009.

The screenshot shows the Cash Train website home page. At the top, there is a 'Financial Health Warning' banner. Below it, a navigation menu includes links for Home, About Us, Contact Us, Apply Online, Existing Customers, Terms, and Privacy. The 'Apply Online' link is highlighted with a red underline. Below the navigation menu, there is a grid of links and information. On the left is the Cash Train logo. To its right, the address is listed: Cash Train 2013, 80 Bulwer Street, Leederville, WA 6007, Australia. Further right are links for 'How to Qualify' (How it Works, Loan Costs, FAQs, Payday Loans), 'Responsible Lending Policy' (Cash Blog, Terms, Privacy, Affiliate Program), and a 'Comparison Rate' of 742.36% for a \$250 loan over 2 weeks. At the bottom right, a warning box with a red triangle icon contains the text 'Warning about Borrowing'.

Source: <http://www.cashtrain.com.au/> accessed 20 August 2013

When we clicked the “Apply Now” button on the main webpage, we found the warning page was combined with the start of the application process. We were encouraged to click through as either a new or existing customer, using one of two prominent red buttons to choose from. The warning text displayed on this page doesn’t require specific acknowledgement of the warning before accessing the loan form. We would have expected that the application form can only be accessed after the warning is closed or acknowledged.

The screenshot shows the 'Before You Borrow Today' warning page. At the top, there is a blue header with the text 'Before You Borrow Today' and navigation links for 'Warning', 'Apply Online', and 'Get Cash'. Below the header, there is a red triangle warning icon followed by the text 'WARNING - Do you really need a loan today?*. Below this, there is a note: '* This statement is an Australian Government requirement under the National Consumer Credit Protection Act 2009.' The main text reads: 'It can be expensive to borrow small amounts of money and borrowing may not solve your money problems. Check your options before you borrow.' This is followed by a bulleted list of advice: 'For information about other options for managing bills and debts, ring 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor', 'Talk to your electricity, gas, phone or water provider to see if you can work out a payment plan', and 'If you are on government benefits, ask if you can receive an advance from Centrelink: Phone 13 17 94'. At the bottom, there is a note: 'The Government's MoneySmart website shows you how small amount loans work and suggests other options that may help you.' Below this, there are two prominent red buttons: 'New Customer' and 'Existing Customer', both with right-pointing arrows. Below each button, the text 'Proceed to Application' is visible.

Source: <https://www.cashtrain.com.au/application.php> as at 9 August 2013

Credit 24

Credit24's home page displays the "Warning about Borrowing" pop-up link at the very bottom, right-hand corner of the page. We consider it could be easily missed by many consumers reviewing this page. When the "Warning about Borrowing" is clicked, the text that appears on the next page does not use the word "WARNING", which may serve to limit its effectiveness.

The screenshot shows the Credit24 website interface. At the top, there is a navigation bar with the Credit24 logo and links for 'All Loans', 'How to Apply', 'Customer Login', 'About Us', and 'FAQ's'. Below the navigation bar, the main content area features a section titled 'Do you really need a loan today?' with a sub-image of hands holding a credit card. To the right of this section is a smaller image of an elderly man with a hat and apron, with the text 'A Fresh Approach to personal Loans' and an 'APPLY NOW' button. Below the 'Do you really need a loan today?' section, there is a 'Check your options before you borrow:' section with a bulleted list of advice. Further down is another section titled 'Need a Personal Loan today?' with a list of benefits and an 'APPLY NOW' button. At the bottom of the page, there is a footer with various links and contact information for MCB Finance Australia Pty Ltd, including a 'Warning About Borrowing' icon.

Source: <http://www.credit24.com.au/do-you-really-need-loan-today> accessed 9 August 2013

After clicking "Apply now" on the home page, we were sent to a consent page where we were asked to tick a box and confirm age, consent to the privacy statement, and accept an agreement to do business electronically.

Create an Account

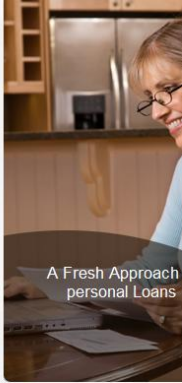
Agreement | Personal Details | Confirm a Phone Number

Existing customer? [Login to Credit24](#) ▶

! Your application will take only 5-10 minutes and you will receive an answer instantly. Credit Criteria apply.

I confirm that I am 18 years of age or over and a permanent resident of Australia.
 I have carefully read and agree to the Privacy Statement. Click here to view the [Privacy Statement](#)
 I agree to do business electronically with MCB Finance and acknowledge that MCB Finance may give me any document or notice it is required to provide by making documents available electronically and I will sign any such documents electronically. I confirm that my electronic signature is legally binding and constitutes my agreement to the information in the documents. Any requirement that MCB Finance sign a document or accept a signature may be met by electronic communication.
 I understand that by agreeing to do business electronically with MCB Finance, paper documents may no longer be issued, electronic communication must be regularly checked for documents and I can withdraw my consent to the giving of documents by electronic communication at any time.

SUBMIT ▶



Source: <https://www.credit24.com.au/register.html/register> accessed 9 August 2013

After ticking these boxes, we were directed to the next page which contained an application form asking for personal details. This suggests that the loan application process has begun, before any warnings have been opened and/or acknowledged.

Support: Monday - Friday 1800 091 967 info@credit24.com.au

Credit24 | All Loans | How to Apply | Customer Login | About Us | FAQs

Create an Account

Agreement | **Personal Details** | Confirm a Phone Number

1 Personal Details

Date of Birth: DD / MM / Year

Gender: -- select --


First name:

Last name:

Driver's licence number: [Sample](#) ▶

Driver's licence card number (if applicable):

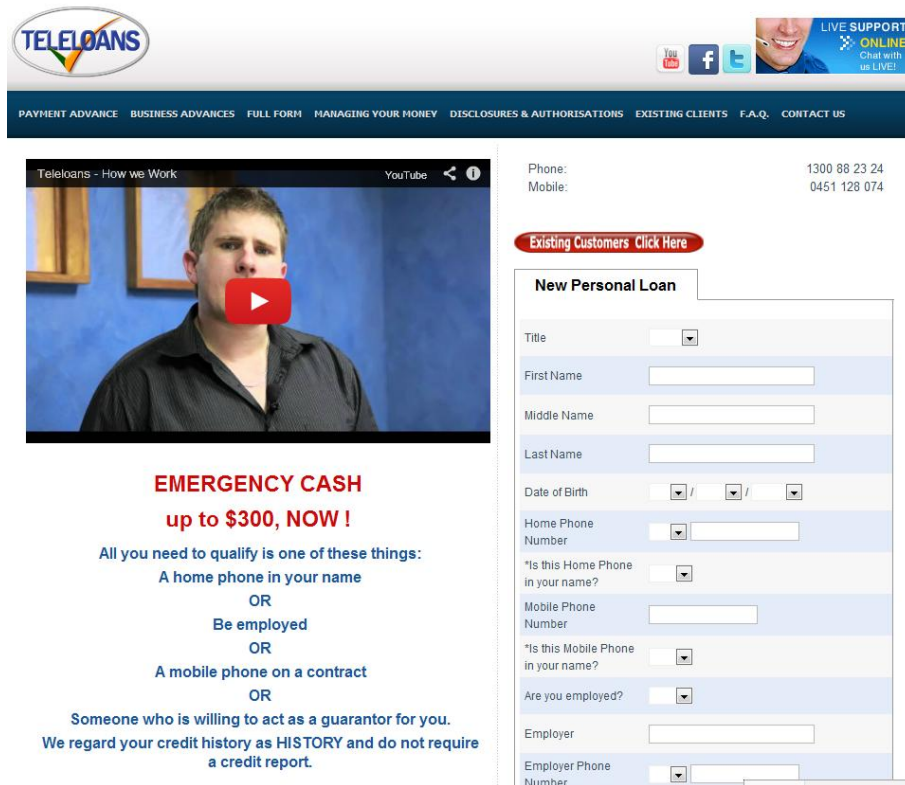
Driver's licence state: -- select --



Source: <https://www.credit24.com.au/?wicket:interface=:6:1::> accessed 9 August 2013

Teleloans

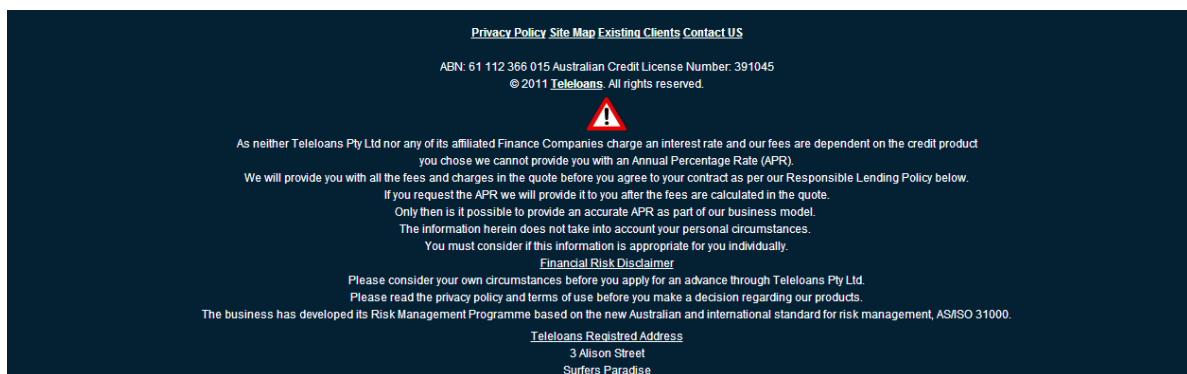
Teleloans' front page is a "New Personal Loan" application form, which allowed us to immediately begin the application process for a short term credit contract. No warnings were made clearly available before this application form could be accessed.



The screenshot shows the Teleloans website interface. At the top left is the Teleloans logo. To the right are social media icons for YouTube, Facebook, and Twitter, along with a 'LIVE SUPPORT ONLINE Chat with us LIVE!' button. A navigation bar contains links: PAYMENT ADVANCE, BUSINESS ADVANCES, FULL FORM, MANAGING YOUR MONEY, DISCLOSURES & AUTHORISATIONS, EXISTING CLIENTS, F.A.Q., CONTACT US. Below the navigation bar, there is a video player titled 'Teleloans - How we Work' with a play button. To the right of the video player, contact information is listed: Phone: 1300 88 23 24, Mobile: 0451 128 074. Below this is a red button that says 'Existing Customers Click Here'. The main content area features a 'New Personal Loan' form with the following fields: Title (dropdown), First Name, Middle Name, Last Name, Date of Birth (dropdowns for day, month, year), Home Phone Number (dropdown and text), 'Is this Home Phone in your name?' (dropdown), Mobile Phone Number (text), 'Is this Mobile Phone in your name?' (dropdown), 'Are you employed?' (dropdown), Employer (text), and Employer Phone Number (dropdown and text). Below the video player, there is a red heading 'EMERGENCY CASH up to \$300, NOW!' followed by a list of qualification criteria: 'All you need to qualify is one of these things: A home phone in your name OR Be employed OR A mobile phone on a contract OR Someone who is willing to act as a guarantor for you. We regard your credit history as HISTORY and do not require a credit report.'

Source: <http://teleloans.com.au> accessed 9 August 2013

A warning symbol appears at the bottom of the main webpage, but the required text "Warning about Borrowing" is absent. Clicking on the warning icon, we were directed to the bottom of the Policies webpage, which does have the required warning text.



The screenshot shows the footer of the Teleloans website. At the top of the footer are links: Privacy Policy, Site Map, Existing Clients, Contact Us. Below these are the ABN: 61 112 366 015 Australian Credit License Number: 391045 and © 2011 Teleloans. All rights reserved. A warning symbol (a triangle with an exclamation mark) is centered. Below the symbol is the following text: 'As neither Teleloans Pty Ltd nor any of its affiliated Finance Companies charge an interest rate and our fees are dependent on the credit product you chose we cannot provide you with an Annual Percentage Rate (APR). We will provide you with all the fees and charges in the quote before you agree to your contract as per our Responsible Lending Policy below. If you request the APR we will provide it to you after the fees are calculated in the quote. Only then is it possible to provide an accurate APR as part of our business model. The information herein does not take into account your personal circumstances. You must consider if this information is appropriate for you individually.' Below this is a link: Financial Risk Disclaimer. Further text reads: 'Please consider your own circumstances before you apply for an advance through Teleloans Pty Ltd. Please read the privacy policy and terms of use before you make a decision regarding our products. The business has developed its Risk Management Programme based on the new Australian and international standard for risk management, AS/ISO 31000.' At the bottom is the Teleloans Registered Address: 3 Alison Street, Surfers Paradise.

Source: <http://teleloans.com.au> accessed 9 August 2013

Appendix

Regulation 28XXB of the *National Consumer Credit Protection Regulations 2010* (Cth)

28XXB Small amount credit contracts—requirements for warning on licensee’s website

For paragraphs 124B (1) (b) and 133CB (1) (b) of the Act, the requirements for a licensee’s website are as follows:

- (a) a hyperlink, in the form of a boxed icon and the words ‘Warning about Borrowing’, must appear on the homepage and any webpage which contains information about the benefits or characteristics of small amount credit contracts and be displayed in a size that is not smaller than it would appear on the webpage using Arial font and 12 points in size;
- (b) the hyperlink must be in the form shown in Schedule 8;
- (c) the hyperlink must open a warning;
- (d) the warning must:
 - (i) be as set out in Schedule 9; and
 - (ii) use the typeface known as Arial; and
 - (iii) unless otherwise illustrated in Schedule 9, be displayed in a size that is not smaller than it would appear on the webpage using Arial font and 10 points in size; and
 - (iv) include the words ‘WARNING – Do you really need a loan today?’:
 - (A) at the start of the warning; and
 - (B) in bold font; and
 - (v) include the words ‘This statement is an Australian Government requirement under the *National Consumer Credit Protection Act 2009*’, displayed in a size that is not smaller than it would appear on the webpage using Arial font and 8 points in size;
- (e) an identical warning must immediately appear when a person clicks on an access point or link that would take the person to a webpage where the person can apply for a small amount credit contract;
- (f) an application form for a small amount credit contract must not be able to be accessed until the identical warning is closed or acknowledged.

Example for paragraph (f)

The acknowledgement can be done by clicking on a ‘progress with application’ button offered on the page.

Source: <http://www.comlaw.gov.au/Details/F2012L02429> accessed 20 August 2013

Schedule 8—Form of hyperlink

(paragraph 28XXB(b))

⚠ Warning about Borrowing

Schedule 9—Warning about small amount credit contracts —warning on websites

(subparagraph 28XXB(d)(i))

⚠ Do you really need a loan today?*

It can be expensive to borrow small amounts of money
and borrowing may not solve your money problems.

Check your options before you borrow:

- For information about other options for managing bills and debts, ring 1800 007 007 from anywhere in Australia to talk to a free and independent financial counsellor
- Talk to your electricity, gas, phone or water provider to see if you can work out a payment plan
- If you are on government benefits, ask if you can receive an advance from Centrelink: Phone: 13 17 94

The Government's MoneySmart website shows you how small amount loans work and suggests other options that may help you.

* This statement is an Australian Government requirement under the
National Consumer Credit Protection Act 2009.

Source: http://www.comlaw.gov.au/Details/F2013C00471/Html/Text#_Toc362271330 accessed 20 August 2013