

MEDIA RELEASE

Wednesday, 15 August 2012

'Bulk complaint' made against Motor Finance Wizard to the Credit Ombudsman Service

The Consumer Action Law Centre has assisted consumers to lodge a bulk complaint against DTGV1 Pty Ltd (which trades as Motor Finance Wizard in Victoria).

Gerard Brody, Director of Policy and Campaigns at Consumer Action, said his organisation has written to the Credit Ombudsman on behalf of ten clients who are in dispute with Motor Finance Wizard regarding transactions that took place between February 2009 and December 2011. Consumer Action is asking the Ombudsman to deal with the complaints in a way which takes into account similarities between the cases.

'Consumer Action has had significant concerns about the conduct of Motor Finance Wizard since 2007, following a large number of consumer complaints about its practices. Consumer Action's concerns have included apparent targeting of low income and vulnerable consumers, the charging of high costs for low value vehicles and, in some cases, the reported use of high pressure sales techniques and the supply of poor quality vehicles.

'In 2011, Consumer Action assisted an aggrieved customer to obtain orders against Motor Finance Wizard. In that case, the Victorian Civil and Administrative Tribunal (VCAT) found that Motor Finance Wizard's process with Consumer Action's client "was seriously flawed and needs urgent change." VCAT found that Motor Finance Wizard's contract was unjust, its conduct was misleading, deceptive or unconscionable, and that it had imposed a finalisation amount under the lease which was unenforceable because it constituted a penalty.'

Mr Brody said that Consumer Action lodged the bulk complaint in the hope that it will provide a quick and fair resolution for all the complainants.

'We've had over 80 enquiries about Motor Finance Wizard in the last 18 months. We believe assisting our clients with a bulk complaint is a good way to expose and deal with any systemic issues and resolve the disputes quickly.'

The Credit Ombudsman is being asked to consider, amongst other things, whether Motor Finance Wizard:

- claimed early termination fees which were unenforceable because they constituted penalties;
- took adequate measures to ensure that their customers understood they were not entitled to ownership of the cars at the end of the lease; and
- entered into unfair contracts, or acted unconscionably, taking into account, amongst other things, the sales techniques used.

'The Credit Ombudsman identified motor vehicle leases as a systemic issue under investigation in its most recent Annual Report on Operations, although no specific traders were named. Any consumers with a dispute with Motor Finance Wizard, or other motor vehicle lease, should consider lodging a complaint with the Credit Ombudsman,' said Mr Brody.

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