



Financial Rights

LEGAL CENTRE

Policy & Campaigns Strategy 2014-2015

Mission Statement:

We are a community legal centre that specialises in helping consumer's understand and enforce their rights in relation to financial contracts, especially low income and otherwise marginalised or vulnerable consumers. We provide free and independent financial counselling, legal advice and representation to individuals about a broad range of consumer financial issues (such as credit, debt, banking and insurance) and we advocate for law reform and government policy development that benefits consumers in these areas.

Top Five Policy Priority Areas



Financial Difficulty Predator Businesses

Our aim is to combat the detriment to consumers caused by largely unregulated businesses like credit repairers, personal budgeting services, debt negotiators and debt agreement brokers through increasing consumer awareness of the free alternatives, advocacy and law reform.



Insurance Fraud Investigations

Increased complaints about insurance fraud investigations have led us to believe there need to be some industry-wide standards of conduct in place for insurance investigations, and consumers should be informed of their rights and responsibilities during a fraud investigation up front.



Insurance Premium Transparency & Contestability

We believe there is a lack of transparency in premium pricing and a lack of contestability when it comes to weighting and rating factors used by insurance companies. We will work towards improving consumer access and rights in relation to information about their individual risks and how premiums are calculated.



Payday Lending

Reducing the widespread use of expensive short term lending has long been a priority for Financial Rights. This year we intend to encourage greater enforcement of responsible lending laws, and greater public awareness of the financial hardship that relying on payday lenders can cause.



Utilities & Electricity (hardship & disconnections)

We encourage consistent and uniform hardship programs across major energy providers; minimising the practice of insisting that hardship customers see a financial counsellor before getting a hardship arrangement (while not discouraging appropriate referrals); and improving access to hardship arrangements and compassionate releases from past providers.

Awareness Raising Campaigns & Research Projects



Motor Vehicle Accidents

This is by far the most common type of dispute that a consumer in Australia will have with an insurance company. Through our extensive advice and casework experience we believe that the balance of power in these situations is unfairly in the hands of the insurance industry, especially for drivers that are uninsured, youth, non-English speaking consumers and anyone in a dispute with an insurance company that cannot afford legal advice.



Credit Reporting

Major changes have taken place this year in credit reporting. Along with other consumer advocates we are actively pursuing better enforcement of the new Credit Reporting Code through the Privacy Commissioner. We also want to continue raising consumer awareness of the new credit reporting regime, including the right to a free credit report and the availability of free advice about disputes. We will also monitor the impact of the new credit reporting regime on consumers in financial hardship.



Insurance Aggregators & Competition Research

We are worried about the heightened focus on premium pricing in the consumer insurance market without sufficient emphasis on cover. We think this is leading consumers to give up coverage in exchange for lower premiums without understanding their risks, leading to widespread underinsurance. We plan to research and analyse competition and coverage issues and specifically the value and limitations of aggregator tools. We will also be conducting a public education campaign on encouraging consumers to consider price and coverage.



Insurance Disclosure Research

We will be conducting an extensive research report into insurance disclosure regimes. Our research will examine what works and what doesn't work about current disclosure requirements (PDS, KFS, etc.) and what alternatives might work better. We would like to be able to provide the industry and the Treasury with real data and evidence about how disclosure should be used in order to most effectively inform consumers about insurance products.

Financial Rights' Policy Practice:

Our policy and campaign work integrates with our hotline advice and casework, both from our financial counsellors and our solicitors. We aim to identify systemic issues that contribute to financial hardship and consumer detriment, and then develop law reform, advocacy and educational responses.

We promote reforms in regulation, policy and industry practices that will help create a fairer marketplace for consumers, particularly disadvantaged consumers. In addition, we make submissions to government and industry, participate in working groups, comment on draft legislation, undertake research, refer unfair practices and systematic issues to regulators and/or industry groups for investigation, and raise public awareness through the media.

Prioritising Policy Issues and Awareness Raising Campaigns:

Financial Rights recognises that there is a vast range of policy issues that impact consumer in financial stress, and that we must prioritise the issues on which we work to ensure that our resources are used strategically, efficiently and for the benefit of disadvantaged consumers. While we will ensure we remain responsive to consumer policy issues and debates as they arise, we will retain our focus on the following priority areas during 2014-2015.