

Consumer Leases

This fact sheet is for information only. You should seek legal advice if you are unsure.

Main ideas

- Consumer leases are usually very expensive in the long run.
- At the end of the lease, after paying for many months, you won't own the item. But you may be able to pay more to buy it.
- There are less expensive options if you can't pay for the items you need right now.
- Financial counsellors can help. Their services are free.

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Consumer leases are different to buying by instalments

When you see an advertisement for a consumer lease, you may be offered a 'Rent to own' or 'Rent to buy' – don't be tricked

Sometimes items are advertised as 'Rent to own' or 'Rent to buy' with the option to make an offer to buy the item

If you believe you were misled into a lease (because you thought you were buying), get legal advice

Consumer leases might look cheap, but can be very expensive

Before you sign a consumer lease, you should know what you are getting into

- If your lease is 2 years or less, you can be charged up to 1.9% interest
- If your lease has no set term, you can be charged up to 1.9% interest
- Plus delivery fees and very limited warranties
- Plus default and enforcement fees if you miss payments
- Plus other fees

Get legal advice if you are unsure about a consumer lease

Signing up to a consumer lease

How do you know if a lease is a consumer lease? It depends on the type of goods being leased and the value of the goods. If the goods are for personal, domestic or household use and the value is less than \$5,000, it is a consumer lease.

If you can't keep up the lease payments

If you are having difficulty making your lease payments, you should contact your lease company as soon as possible. They may be able to offer you a payment plan or other options. If you are unable to make payments, you may be in breach of the lease agreement.

If the rental item is lost or stolen

The item belongs to the lease company, so if it is lost or stolen, you must report it to the police and the lease company. You may be required to pay for the replacement of the item.

The lease company will expect you to continue paying the lease payments even if you don't have the item.

Do not sell or get rid of the leased items without the lease company's permission. **get legal advice immediately**

Ending the lease early

Ending a lease early can be expensive. You may have to pay a penalty or the remaining lease payments. **get legal advice**

Ending the lease when the contract finishes

When the lease contract finishes, you should return the item to the lease company. You may have to pay for any damage or wear and tear.

Better options than a consumer lease

There are other ways to get goods, such as buying or borrowing. **very careful**

Need more help?

For a list of other resources, visit our [Useful Resources](#) page.
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