

## ANNUAL REPORT



2020

FINANCIAL RIGHTS LEGAL CENTRE ACKNOWLEDGES THE TRADITIONAL OWNERS, CUSTODIANS AND ELDERS OF THE LANDS ACROSS AUSTRALIA AND PARTICULARLY THE GADIGAL PEOPLE OF THE EORA NATION BOTH PAST AND PRESENT, ON WHOSE TRADITIONAL LAND THE FINANCIAL RIGHTS LEGAL CENTRE'S OFFICE IS SITUATED.

## FINANCIAL RIGHTS LEGAL CENTRE

Level 1, 80 Cooper St. Surry Hills NSW  
PO Box 538 Surry Hills NSW 2010

National Debt Helpline: 1800 007 007 (Sydney)  
Legal Advice Line: 1800 844 949  
Insurance Law Service: 1300 663 464  
Mob Strong Debt Help: 1800 808 488  
Advice Hours: (EST) 9:30am – 4:30pm weekdays

Email: [info@financialrights.org.au](mailto:info@financialrights.org.au)

Websites: [financialrights.org.au](http://financialrights.org.au) [insurancelaw.org.au](http://insurancelaw.org.au) [mva.financialrights.org.au](http://mva.financialrights.org.au)

Office Hours: 9:30am – 5:00pm weekdays  
Administration: (02) 9212 4216  
Fax: (02) 9212 4711

ABN: 40 506 635 273

Financial Rights acknowledges the financial support for our core services provided by the Financial Counselling Services Program administered by the NSW Department of Finance and Services (Fair Trading), the Community Legal Services Program of the State Department of Justice and the Federal Attorney-General's Department, Financial Counselling Australia, the Financial Counselling Foundation and Ecstra Foundation.

We have also been fortunate enough to be the beneficiary of significant funds provided by financial services providers as Community Benefit Payments as a result of enforcement action and market surveillance activity undertaken by ASIC.



## CONTENTS

ABOUT US	4
OUR STAFF	5
CEO REPORT	8
PRESIDENT'S REPORT	11
DIRECTOR OF ADVICE REPORT	12
DIRECTOR OF CASEWORK REPORT	13
ACCESS & DEMOGRAPHICS	15
ADVICE & INFORMATION	18
CASEWORK	25
MOB STRONG DEBT HELP	40
RECONCILIATION ACTION PLAN	43
POLICY & LAW REFORM	44
COMMUNITY LEGAL EDUCATION	52
FINANCIAL STATEMENT	54



## ABOUT US

### ADVICE & ADVOCACY FOR CONSUMERS IN FINANCIAL STRESS

Financial Rights Legal Centre is a community legal centre that specialises in helping consumers understand and enforce their financial rights in relation to consumer credit, banking, insurance, debt recovery and related issues. We answer the National Debt Helpline in NSW, and we are available nationally through our Insurance Law Service and Mob Strong Debt Help, a dedicated line for Aboriginal and Torres Strait Islander people.

As a community legal centre, Financial Rights is largely government funded and independently managed by a voluntary management committee. We maintain a particular focus on issues that affect vulnerable and disadvantaged consumers. We provide a well-integrated combination of information, financial counselling, legal advice, casework, and education to assist consumers in financial stress. We also conduct research and collect data to campaign for changes to the law and industry practice for the benefit of consumers. We employ both financial counsellors and solicitors to provide free, independent, high quality services for our clients.

### OUR VALUES

**Respect & Integrity** in all our dealings with clients, stakeholders and colleagues

**Quality** in all our services and activities

**Independence** from conflicts of interest

**Empathy & Compassion** for the circumstances in which people find themselves

**Empowerment** of people to take control of their financial situation, exercise their legal rights and expect fair treatment

**Inclusion** in access to our services, consultation in planning our services, and promoting access to a fair and equitable marketplace and improved financial wellbeing for all

**Courage** to be fearless advocates for people facing exclusion, exploitation or unfair conduct

## OUR STAFF

**Anne Bissaker**  
Finance Officer

**Holly Brooke**  
Locum Policy &  
Communications Officer

**Almond Cafarella**  
Administration Officer

**Amanda Cameron**  
Aboriginal Service Coordinator

**Ara Cho**  
Solicitor

**Karen Cox**  
Chief Executive Officer

**Julia Davis**  
Policy & Communications Officer

**Naomi Delaney**  
Solicitor

**Marie Druon**  
Financial Counsellor

**Michael Feeney**  
Chief Operations Officer

**Jane Foley**  
Senior Solicitor

**Jerome Forgas**  
Financial Counsellor

**Mark Holden**  
Solicitor

**Louise Jansson**  
Senior Solicitor

**Miriam Jay**  
Financial Counsellor

**Lynda Johns**  
Financial Counsellor

**Alexandra Kelly**  
Director of Casework

**Joo Ik Kim**  
Solicitor

**Hong An King**  
Solicitor

**Amy Knox**  
Senior Solicitor

**Jennifer Lewis**  
Senior Solicitor

**Alice Lin**  
Director of Advice

**Drew MacRae**  
Policy & Advocacy Officer

**Katherine Moses**  
Communications & Campaigns  
Officer

**Tawanda Mukamuri**  
Solicitor

**Peter Nicholson**  
Financial Counsellor

**Samantha O'Donnell**  
Solicitor

**Fatimah Omari**  
Solicitor

**Kimia Randall**  
Solicitor

**Helen Rees**  
Financial Counsellor

**Greg Russell**  
Financial Counsellor

**Peter Schulz**  
Financial Counsellor

**Claire Shidiak Khoury**  
Senior Solicitor

**Ma'ata Solofoni**  
Senior Solicitor

**Lara Song**  
Senior Solicitor

**Lody Stewart**  
Financial Counsellor

**Nicola Sutton**  
Office Manager

**Andrea Van Der Kuijlen**  
Solicitor

**Peter Vincent**  
Communications &  
Campaigns Officer

**Danielle Whyte**  
Solicitor

**Marina Wilkinson**  
Financial Counsellor

**Rebekah Wong**  
Solicitor

**Janice Yuen**  
Financial Counsellor

**Marianna Zauanders**  
Solicitor

**Maria Zografos**  
Chief Operations Officer







## CEO REPORT

Australians have faced enormous challenges in 2019-20, from bushfires to the incredible stress and deprivations of COVID-19 and its economic impact. Throughout, Australians have shown a remarkable resilience and capacity to pull together. At Financial Rights, we have done our best to do our part.

The Insurance Law Service has provided critical advice and assistance to people who have been affected by back-to-back disasters, with bushfires followed by floods.

Australia has so far done well in containing COVID-19. Notwithstanding, our service data from November 2019 to the end of June 2020 reveals a heavy financial impact.

Problems relating to bushfires dominated our client calls and web enquiries between November 2019 and January 2020. The first wave of enquiries in relation to COVID-19 began in the same month.

Many initial COVID-19-related enquiries concerned the consequences of travel cancellation and the ability to claim for losses on travel insurance. In February, storms and hail damage overtook bushfires as the most common type of call, with travel insurance queries continuing to grow.

Issues relating to COVID-19 went through the roof in March with a 74 per cent surge in people accessing our financial hardship facts sheets and a 42 per cent increase in the number of people seeking information about accessing your super, compared to the previous month.

People on temporary visas were unable to access any income support and were desperate for food and money to pay their rent. Meanwhile, people in isolation or quarantine were struggling to obtain income support because of congestion online and difficulties accessing essential forms of identification. Despite a general agreement there would be a hold on evictions, we also assisted people who faced foreclosure on their homes by creditors.

In May and June, we experienced an influx of

enquiries from people who had accessed their superannuation and wanted support to use it to negotiate settlements with creditors. One client was being made bankrupt in contravention of temporary changes in the law.

All the while, we continued to get a stream of enquiries about bushfire and storm-related damage, often from people who now faced additional personal and economic challenges.

We continue to share our clients' experiences, on an anonymous basis, with the Australian Securities and Investments Commission, Australian Treasury, the Australian Financial Complaints Authority, the Australian Banking Association along with various banks and other financial services providers to inform and assist them to improve their responses to COVID-19, hardship initiatives, and to promote better outcomes for our clients.

Our operations team went to heroic efforts to shift the organisation to a remote working environment without missing a single day of service delivery. Fortunately, after some delay, we secured additional funding to assist this transition. I thank our staff for their flexibility and patience throughout this process.

None of this would have been possible without the support of our funders, our dedicated and passionate team, and our highly valued, volunteer Management Committee, led by long term Chair, Margaret Raffan. I offer Margaret my heartfelt thanks on behalf of the organisation and staff for her support throughout this challenging period.



KAREN COX  
CEO

## SERVICE AT A GLANCE

21,010	TOTAL CONTACTS FOR FREE LEGAL ADVICE OR FINANCIAL COUNSELLING (INCLUDING INFORMATION & REFERRAL)
14,801	CONTACTS ANSWERED THROUGH NATIONAL DEBT HELPLINE (PHONE & EMAIL)
6,209	CONTACTS ANSWERED THROUGH INSURANCE LAW SERVICE (PHONE & EMAIL)
486	INSURANCE LAW EMAIL ENQUIRIES
279	CREDIT & DEBT EMAIL ENQUIRIES
124	CASES OPENED
190	CASES CLOSED
503	LEGAL TASKS
30	COMMUNITY EDUCATION
212	MEDIA MENTIONS
66	POLICY SUBMISSIONS
56	COMPLAINTS TO REGULATORS AND AUTHORITIES

## BARRISTERS PROVIDING PRO BONO ADVICE

John Kelly SC  
Glenn Fredericks  
Adrian Maroya

Paul Batley  
Jim Johnson  
Sarah Worsfield

## VOLUNTEERS

Domenica Scuteri

Lauren Reed

## ABORIGINAL ADVISORY COMMITTEE

Nathan Boyle  
Suwana Combo  
Tracy Duncan

Robynne Quiggin  
Aunty Joy Reid

## PRO BONO SUPPORT

**Jilly Field**  
Ashurst

**Natalie Bentley**  
Minter Ellison

**Keith Rovers**  
Minter Ellison

**Shankari Nadanachandran**  
Ashurst

**Rachel Johnston**  
Minter Ellison

**Hamish Wallace**  
Minter Ellison

## MANAGEMENT COMMITTEE

**Margaret Raffan**  
President

**Paul Baker**  
Secretary

**Francis Vierboom**  
Ordinary Member

**Erin Turner**  
Vice-President

**Dave McMillan**  
Ordinary Member

**Nicola Sutton**  
Staff Committee Member

**Chris McKendrick**  
Treasurer

**Natalie Pozdeev**  
Ordinary Member

**Karen Cox**  
CEO

## PRESIDENT'S REPORT

This year has involved a lot of the unexpected but the support and advocacy Financial Rights offers to Australians has remained constant. The staff at Financial Rights have demonstrated their talent and dedication under exceptionally tough circumstances.

In early 2020 we introduced a system to prioritise calls to our Insurance Law Service about natural disasters such as bushfire, flood, and hail to respond to events of that extraordinary summer. Through our legal case work we were able to help people through crisis recovery. For example, we were able to assist people to improve the coverage of temporary accommodation payments and help small businesses facing credit issues after multiple natural disasters.

When the pandemic lockdown began in March 2020 the Centre quickly moved to a majority work-from-home model. Our leadership team secured additional funding to cover hardware upgrades to make sure all staff had access to the technology they needed.

Under these tough conditions, the team delivered incredible results including 190 casework files closed and 6,571 instances of legal advice across the year. I want to particularly note the work of our Director of Advice, Alice Lin, in helping our team of financial counsellors and lawyers to spend more time on difficult and valuable tasks and advice to better help the people who contact us.

We know that as a result of our work in the credit and debt space alone that we saved at least three homes from repossession, had more than \$441,000 in debt waived, saw over \$15,000 refunded and \$1,500 in compensation paid for credit and debt matters in January to June 2020 alone. Our policy

work has contributed to major changes to the rules for insurance, mortgage broking and banking as the recommendations of the Banking Royal Commission have started to be implemented.

This year we welcomed three new members to our Management Committee. Natalie Pozdeev, Chris

**"THE TEAM DELIVERED INCREDIBLE RESULTS INCLUDING 6,571 INSTANCES OF LEGAL ADVICE ACROSS THE YEAR.."**

McKendrick and Francis Vierboom. They have added a wealth of experience to the Committee covering legal, accounting, education, communications, innovation and not-for-profit governance.

We also farewelled our Chair, Margaret Raffan, after nearly a decade of service. Margaret joined the committee in March 2011 and became Chair in December of that year. She has made an incredible contribution to the Financial Rights Legal Centre, overseeing the growth and development of our services for people who most need it. We all thank her for her work and wish her the best.

We head into our next year with a new strategic plan and a strong team that has supported each other and our clients in the toughest of times. The Financial Rights Legal Centre is ready to face whatever comes in 2020-21.

ERIN TURNER - PRESIDENT



## DIRECTOR OF ADVICE REPORT

This year has been hectic and brought a lot of change, however our staff have shown amazing flexibility and adaptability to switching to working from home, and maintaining our commitment to helping our callers.

The first few months of the 2019/2020 financial year was characterised primarily by continuing projects:

- a. ongoing cooperation with Uniting Care Dubbo,
- b. implementation of office sharing and dedicated phone hubs to allow immediacy of support between rostered phone staff, and
- c. work on a dedicated NSW branch of our Motor Vehicle Problem Solver in conjunction with Law Access and Legal Aid NSW.

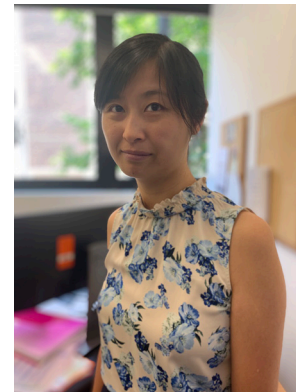
From late 2019 onwards, natural disasters played a major role in our service provision:

1. Bushfires and hailstorms saw the introduction of a 'Press 1' feature for callers affected by natural disaster callers on our Insurance Law Hotline to ensure we could assist as many affected callers as possible. We also updated our Bushfire Insurance Guide, a publically available resource on our website, and conducted training for external financial counsellors on insurance issues related to bushfire.

2. COVID-19 saw our staff shift to working from home and necessitated new policies, processes and techno-logical updates to ensure staff had appropriate supports and tools available to them to answer calls from home. We also saw a significant reduction in calls to both credit and insurance hotlines, as lockdowns and temporary assistance measures by government and creditors impact consumer demand for our services. This has given us more space to spend additional time assisting callers, which has been im-portant as staff are anecdotally reporting higher levels of distress and anxiety from our callers.

Between 1 November 2019 and 30 June 2020, we provided 1552 services to 1164 clients affected by natural disaster. By far, clients affected by pandemic were most prevalent, followed by storm, bushfire and hail.

As we head into the next financial year, we expect hardship calls relating to pandemic to increase once government and creditor assistance taper off, and are looking at ways to increase our capacity to respond when this occurs.



ALICE LIN  
DIRECTOR  
OF ADVICE

## DIRECTOR OF CASEWORK REPORT

What a year 2019/20 has been, challenging Financial Rights as well as Australians at large with significant natural disasters and financial upheaval on local and national fronts. Our staff have kept up with ever-changing government policies, industry approaches and individual lender or insurer approaches to the bushfires, floods and then COVID-19 that has affected communities in the short and long-term.

At the same time, there has been a tremendous impact on the way we work. Financial Rights has for a number of years been working to transition to a paperless office to help with reducing the impact on our valuable natural resources with our casework files being the last paper of the office. In March 2020 electronic file management was no longer a future aspiration but a necessity. I commend our staff and



ALEXANDRA KELLY  
DIRECTOR  
OF CASEWORK

administrative team for maintaining high case numbers and stringent quality risk management whilst grappling with this operational change. The resilience of our staff has been extraordinary, in performing the difficult aspects of our jobs from their homes and attending necessary Court appearances - all whilst balancing home schooling for children.

We are also reminded, as caseworkers, of the importance of postal

services. Most of our services are undertaken remotely and we see the impact on our clients of the huge divide between those who have access to online resources and those with no or little access to digital technology.

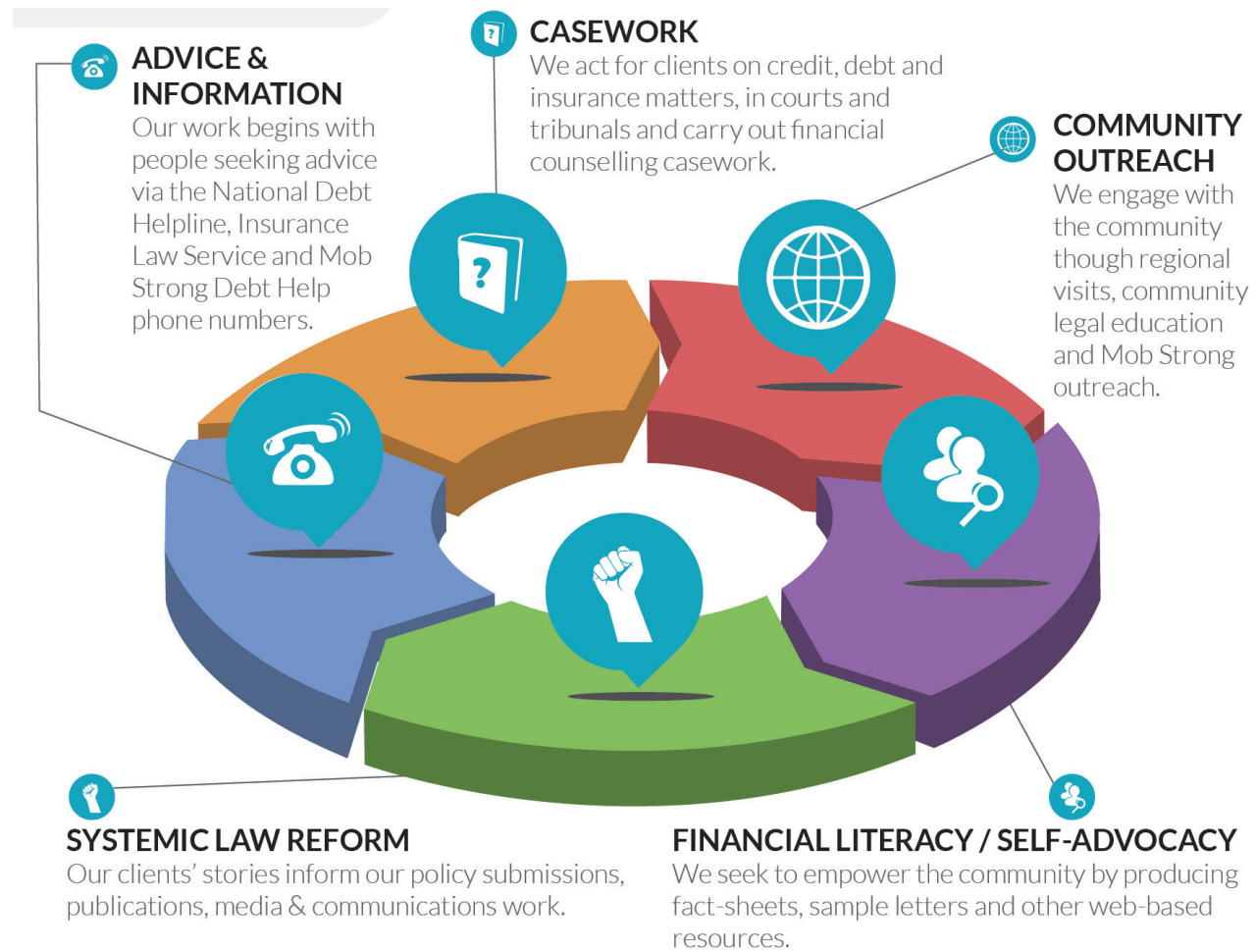
Our solicitors and financial counsellors were able to adapt to the changing community needs by pivoting to providing essential casework assistance for people adversely impacted by the bushfires and impacted by the pandemic as well as maintaining ongoing assistance for our key strategic priorities.

As Director of Casework some of my highlights have included:

- assisting a number of consumers across Australia, who had proceedings commenced in NSW whilst they resided far afield in Queensland and the Northern Territory, with setting aside default judgment or dismiss-ing proceedings improperly commenced under the National Consumer Credit Protection Act (2009);
- assisting a number of Mob Strong Debt Help clients with unsuitable consumer leases, to reach positive out-comes;
- assisting victims of bushfires, floods and other perils with resolving their disputes with alternative accom-modation and other issues arising out of the disasters.

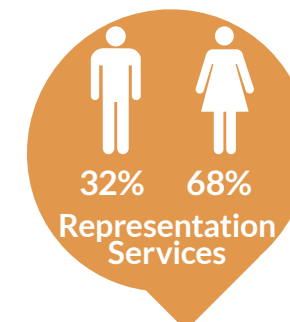
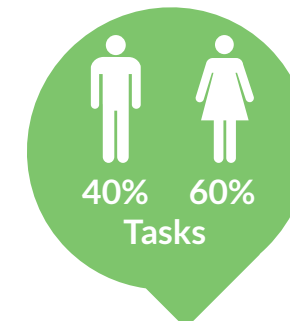
The case studies throughout this report demonstrate the dedication of our staff towards assisting financially disadvantaged consumers and achieving the best possible outcomes.

## HOW WE WORK

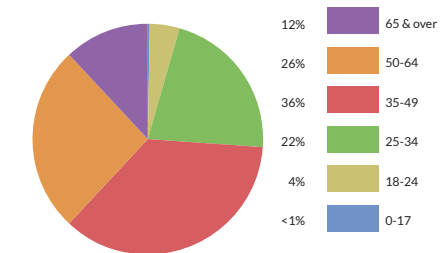


## ACCESS &amp; DEMOGRAPHICS

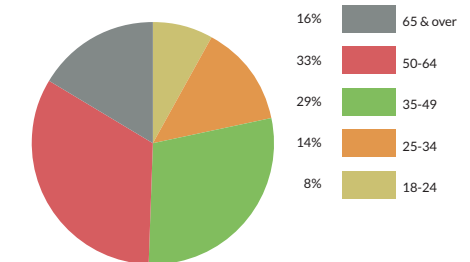
## GENDER



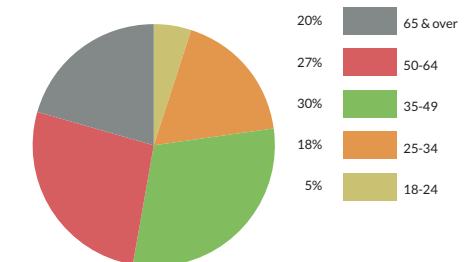
## AGE - ADVICE



## AGE - TASKS



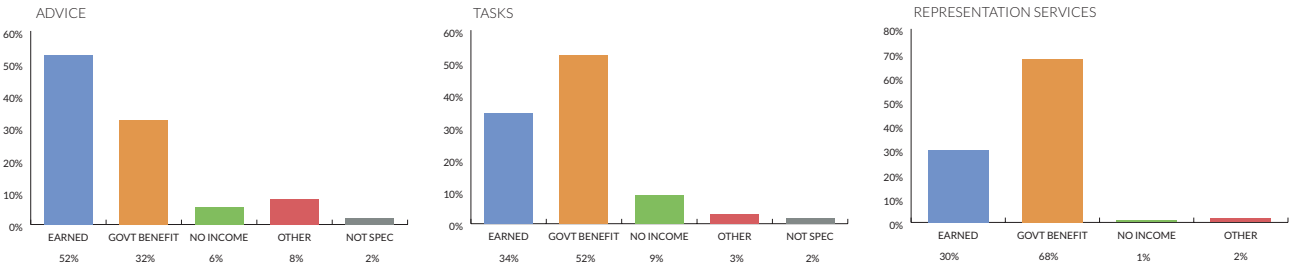
## AGE - REPRESENTATION SERVICES



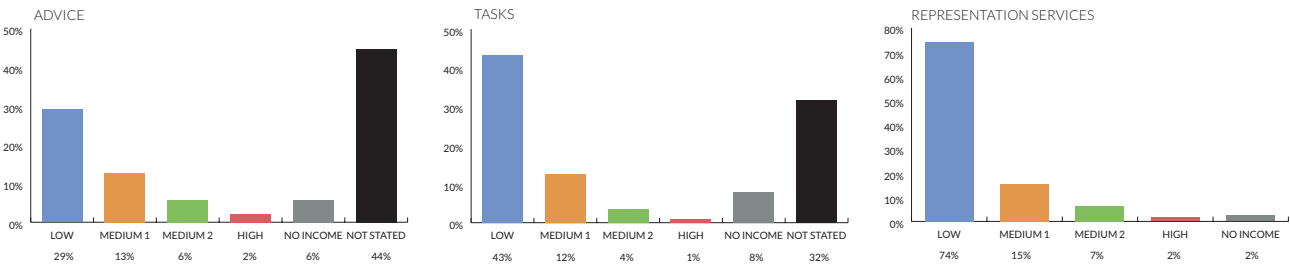


ACCESS & DEMOGRAPHICS

INCOME SOURCE



INCOME LEVEL



INDIGENOUS STATUS

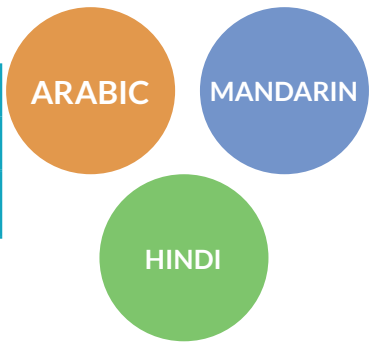


ADVICE	6%
TASK	15%
REPRESENTATION SERVICES	30%

MAIN HOME LANGUAGE



OVERALL	16%
TASK	17%
REPRESENTATION SERVICES	12%



ACCESS & DEMOGRAPHICS

CASE STUDY

Throughout 2019/20 Financial Rights assisted a cluster of consumers impacted by an online lender which required a guarantor before it would grant high interest, unsecured personal loans to borrowers. The guarantor would consent and be signed up over the phone and the funds would be deposited into the guarantor's account.

The lender was regulated by the National Consumer Credit Protection Act 2009 (NCCP). It was based in NSW and commenced proceedings in NSW against interstate borrowers.

We advised and acted for a number of interstate borrowers and guarantors, many of whom identified as Aboriginal and Torres Strait Islander, or from culturally and linguistically diverse backgrounds. These clients confronted legal proceedings or circumstances in which a judgment was already entered against them in NSW.

Among them was Jill, who was not a resident of NSW. Jill was asked to be a guarantor, for a \$10,000 personal loan, by her son Clem. Jill did not think Clem would be approved for the loan as

he had been in and out of work for the past four years.

Jill's primary source of income was government benefits, including the aged pension and allowances for caring for two grandchildren. But Jill did own a house.

Clem did not make a single repayment towards the loan. A statement of claim was filed in NSW and served on Jill. On receiving the statement of claim, Jill panicked. She filed an acknowledgment of liquidated claim and application to pay by installments.

We raised a dispute with the lender, arguing that they the NCCP regulations require proceedings to be brought in the state the debtor ordinarily resides, and various breaches of the NCCP relating to the form and disclosure requirements of a guarantee, the failure to follow the enforcement requirements of a guarantee and the unjustness in the circumstances around the entering of the guarantee with a view of taking steps to set aside the judgment.

## ADVICE & INFORMATION

Financial Rights operates five telephone advice lines, four of which are for the public:

1. The National Debt Helpline (NDH) which is a national service and callers are redirected to the relevant service providers in the state in which they live. Financial Rights and Uniting Dubbo each receive a share of NSW calls relative to the amount of funding we receive. Our NDH is now answered predominantly by our financial counsellors who transfer callers to the legal advice line as required
2. Financial Rights Legal Advice line is available for callers seeking legal advice and as a specific point of contact to Financial Rights to avoid double handling with Uniting Dubbo. This line is staffed by solicitors and has been promoted with key referral contacts such as LawAccess, Legal Aid and AFCA.
3. The Insurance Law Service (ILS), a national advice line answered by our solicitors.
4. Mob Strong Debt Help is for Aboriginal or Torres Strait Islanders seeking legal advice or counselling on credit, debt and insurance matters. This is also a national line staffed by solicitors and our Aboriginal Community Liaison officer. Calls to Mob Strong are included in the NDH or ILS statistics.
5. A caseworker-only hotline, which is for financial counselling professionals and community workers including community legal centre lawyers.

NDH and ILS queries also come in by web enquiry, both through our respective website and we also receive a share of email enquiries received through the [www.ndh.org.au](http://www.ndh.org.au) website run by Financial Counselling Australia. Web enquiries may result in a return email or a callback depending on the question and the consumer's preference.

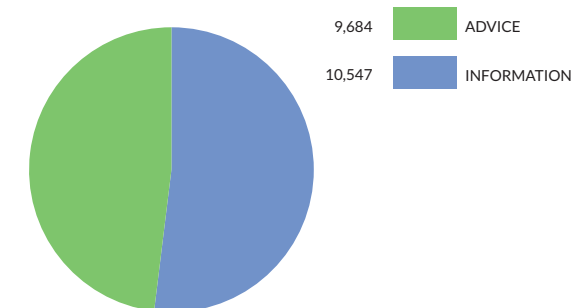


20,231  
TOTAL  
CONTACTS

## ADVICE & INFORMATION

### CASE STUDY

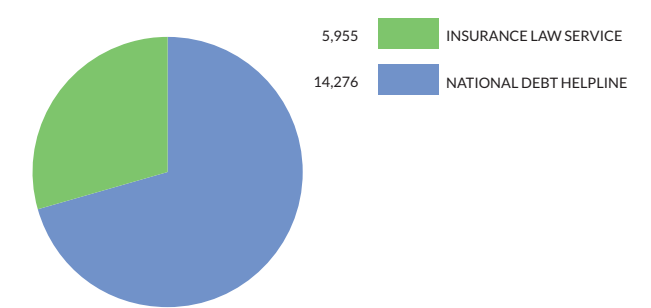
*I was very stressed and thought I would need to give up. Tawanda listened to me and looked at the contract. Chemotherapy medication has affected my ability to communicate well. He came on the call with me. He is brilliant. Everything turned around. I got the answer I needed from the company and they will write me an email with the information that I can rely on for future transactions. I can't describe how grateful I am to Tawanda and the Financial Rights Legal Centre. This financial matter is important to my life right now. The help and care I have received means a lot to my future financially, physically and emotionally.*



### CASE STUDY

*100% tremendous service - it really helped me to move forward to try and get justice. Naomi went way beyond excellent in providing me with necessary advice tools and references to put my mind at rest and pursue the matter at hand. Huge thanks to everyone.*

*The advice was very clear and easy to understand. When I received your staff report I was very impressed how detailed it was and the time it must have taken to comply it. It really demonstrated how eager she was to assist me with my problem. I was very impressed with the service and many thanks from me to the young lady that did all the detailed work. Many thanks.*





NATIONAL DEBT HELPLINE

The National Debt Helpline (NDH) is the central contact point for people requesting assistance in relation to credit, debt and financial hardship across Australia. It is currently a two service provider model with both Financial Rights and Uniting Dubbo taking a portion of NSW calls. Our two services have a good working relationship with a Memorandum of Understanding in place to provide consistent service to consumers, and to facilitate referrals of existing clients between the two services and legal matters to Financial Rights. As at the end of the 2019/20 financial year, each service was receiving 50% of NDH calls to NDH, and this percentage will continue to change based on funding levels. Financial Rights runs a separate Legal Advice Line staffed by solicitors as a direct point of entry for callers with legal issues to avoid double handling.

It is a goal of the NDH to assist as many consumers as possible to self-advocate. This can include one-off discrete advice, or ongoing conversations as matters progress, including updating advice and strategies as consumers navigate their problem. We refer many consumers who are able to self-advocate to our online resources, such as our fact sheets or our sample letter generator, and provided advice over the phone. Consumers unable to self-advocate may

be referred to face-to-face financial counselling in their local area, or provided with assistance in-house, by solicitors, financial counsellors, or both.

We strive to cultivate and maintain support networks and contacts with financial counsellors by visiting regional and remote regions, providing training both in Sydney and in regional and remote areas on relevant issues, and attending financial counselling meetings and conferences – though these efforts have been reduced this financial year due to COVID-19 restrictions and precautions. We also have a dedicated telephone number for financial counsellors (our caseworker hotline) to access our service as a priority on behalf of their clients.

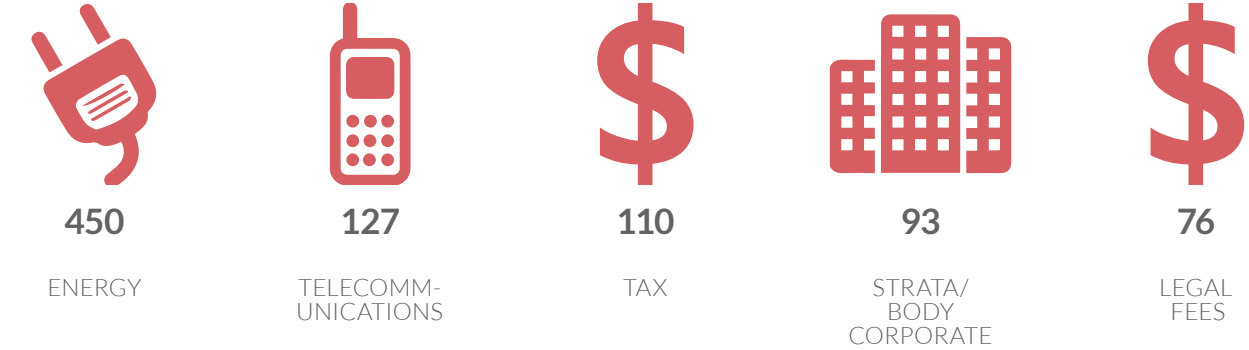
Home loans are the most common product held by consumers seeking assistance, but credit cards are close behind. Calls about personal loans, including payday loans and other small amount, high cost contracts are next most common, followed by car loans. Energy advice is still the most common debt type that is not credit related. Other common non-credit debts included telco, tax, strata management and legal fees.

NATIONAL DEBT HELPLINE

CREDIT PRODUCTS (TOP 5 FROM ADVICE CALLERS)



OTHER NON CREDIT ISSUES (TOP 5 FROM ADVICE CALLERS)



Note: Only one debt is usually recorded for each caller, the one which is disputed or causing the most pressing problem, meaning that most callers will have other debts not recorded above.

## INSURANCE LAW SERVICE

The Insurance Law Service (ILS) is a national specialist service offered by the Financial Rights Legal Centre. Legal advice is available via the ILS phone line, with the introduction of an option to 'press 1' to divert to a priority line for enquiries relating to natural disasters including bushfire and COVID-19 from March 2020. We also have a website enquiry form and a dedicated Motor Vehicle Problem Solver website.

Many of our calls involve a variety of issues such as motor vehicle insurance, home building insurance and debts arising from motor vehicle accidents (in which the driver was uninsured).

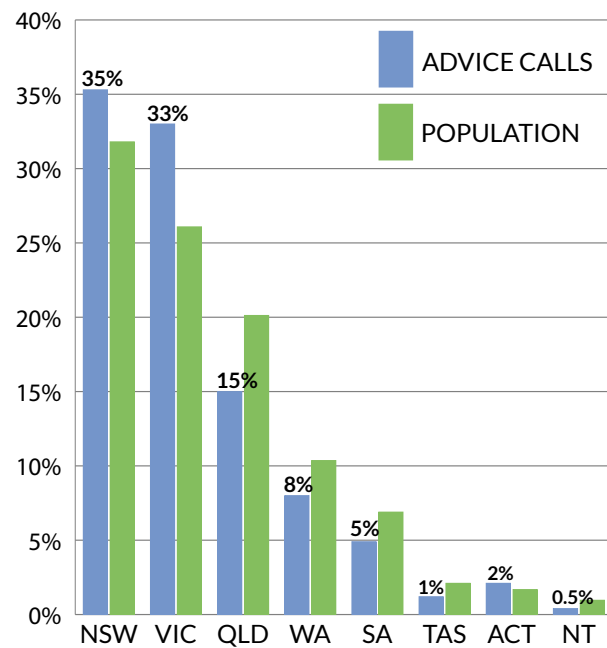
This year also saw a significant volume of calls relating to natural disasters including bushfires, with issues such as under-insurance and claims handling. We also saw a large number of COVID-19 related matters relating to travel insurance claims, landlord policies and small business interruption policies.

The ILS is funded by the Commonwealth Attorney General's Department on an ongoing basis. We have been fortunate enough to be the beneficiary of Community Benefit payments directed by ASIC as part of their enforcement role and we use some of these funds to meet the demand by consumers nationally on insurance issues. We also received some once-off funding to assist people affected by bushfire and COVID-19, however neither this nor the Community Benefit funding is recurrent.

Our focus is on empowering consumers with information, advice and assistance to run their own

dispute as far as possible. This can include ringing the insurer with the client on the line to better understand the reasons for declining a claim, or drafting letters, submissions or AFCA complaints on their behalf. Common issues we continue to see include vehicle write-offs, fraud investigations, claims handling problems and delays, disputes over the scope of repairs and the interpretation of tricky insurance clauses.

### INSURANCE CALLS BY STATE COMPARED TO POPULATION



## INSURANCE LAW SERVICE

### TYPES OF INSURANCE (TOP 5 MENTIONED BY CALLERS)



1,443

MOTOR  
VEHICLE  
INSURANCE



803

HOME  
BUILDING  
INSURANCE



394

TRAVEL  
INSURANCE



209

HOME  
CONTENTS  
INSURANCE



158

INCOME  
PROTECTION  
INSURANCE

### CASE STUDY

Adele is a single mother on a carer's payment as her child has special needs. She was comprehensively insured. Her car was stolen. The insurer advised her if it was not recovered in 14 days that she would be paid a total loss. After 14 days Adele spoke to the insurer and they advised the payment of \$26,500 would be processed. Adele went ahead and borrowed money from her family to purchase a new car. Her original car was also under finance. Adele contacted the finance company to obtain the final payout figure. During

this time, the car was recovered and the insurer advised her they would not pay out the car and instead assess it for repairs.

Given Adele substantially changed her position on the representation of the insurer's claims decision we disputed the decision. We requested they provide us the recordings and reverse their decision. The insurer agreed to pay the claim as a total loss. Adele was very relieved.



## CASE STUDY

Tasks are one off pieces of assistance, where we can assist advocating for a client without needing ongoing representation. Many matters may start as tasks, as we are trying to efficiently assist as many people as possible through one off interventions and advocacy. A client may be assisted in drafting letters or ringing creditors with the client on the line for one off advocacy. However, tasks can sometimes uncover systemic failures and deeper vulnerabilities or issues of the client that warrant further casework representations.

Cathy is an Aboriginal grandmother and widow who lives in public housing. She receives the Disability Support Pension because of multiple health issues. Apart from an old car and household items Cathy has no other assets of value. She was struggling with more than \$25,000 in unsecured debts with a bank and debt collector – in repayment arrangements.

She received a lump sum payment from the National Redress Scheme, being financial compensation attempting to address the traumatic wrongs she experienced in her past.

When she came to us, she had paid a debt collector a lump sum. The debt collector had publically undertaken

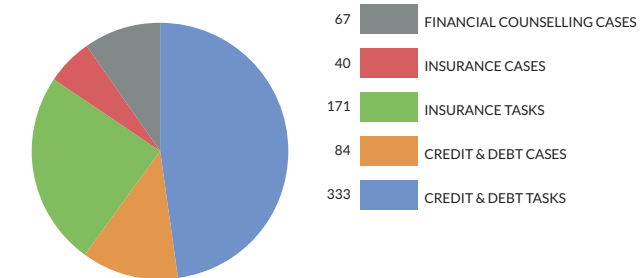
not to pursue debt recovery action against a redress payment. Our financial counsellor, with Cathy on the line, contacted the debt collector who on learning the full story acted quickly and refunded the money paid by Cathy the next day and waived the debt in full.

Cathy also instructed us she had been contacted by her bank who knew about the lump sum. Cathy felt she had no choice but to agree to the bank's decision to deduct about \$14,000 to pay out the entire balance of the loan.. This was completely at odds with commitments made by the banks, through the Australian Bankers Association to quarantine payments received under the National Redress Scheme from all debt collection activity. Redress payments are coded so that they should be clearly identifiable by the bank upon being deposited into a customer's bank account.

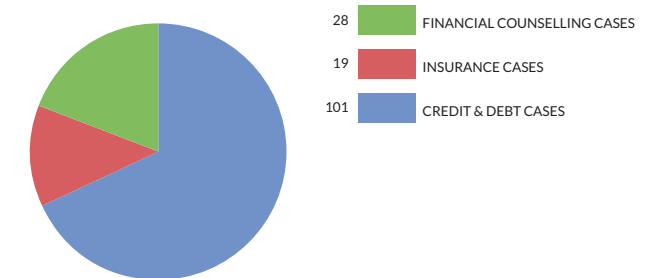
We took this matter on as a representation file and we raised this as a potentially systemic issue with the customer advocate including our concern that if this has happened to our client - it may also have happened to other redress recipients. The bank undertook to tighten their processes and a separate advocacy team has been set up to support redress clients.

## CASEWORK

### CASES BY SUBJECT

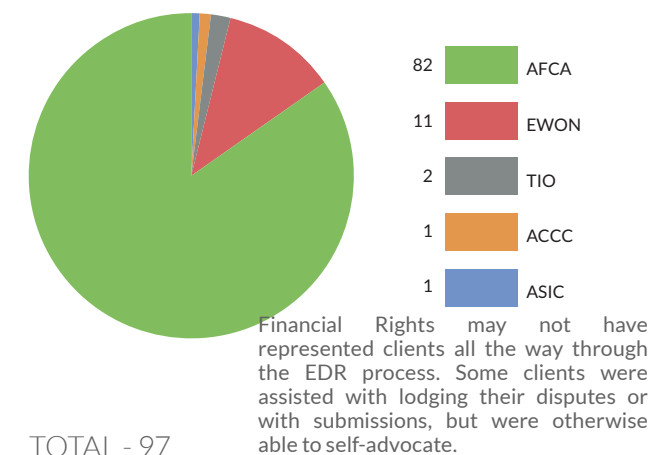


TOTAL CASES OPENED: 191  
TASKS: 504



TOTAL CASES CLOSED: 133

### CLOSED CASES & TASKS IN EDR



TOTAL - 97

### COMPLAINTS



TOTAL - 56

## CREDIT & DEBT LEGAL CASEWORK

Financial Rights casework includes matters where we are on the record representing a client on an ongoing basis as the client's legal practitioner or financial counsellor. Casework files are divided into sub-categories consistently with the National Data Standards.

- “Court and Tribunal” matters are those where the Centre is providing ongoing representation in a Court or Tribunal such as filing an appearance, defence or Notice of Motion in active litigation.
- “Dispute Resolution” are matters where the client is in an external dispute resolution scheme such as the Australian Financial Complaints

Authority.

- “Other Representation” represents a matter where the client's matter is not in a court, Tribunal or dispute resolution scheme, reflecting instead the pre-litigation negotiation of a client's matter.
- For financial counsellors, the National Data Standards defines their equivalent to casework as “Ongoing Non-Legal Support”, and we record any financial counsellor files in external dispute resolution as Dispute Resolution files.

Casework may take a few weeks to resolve to a few years.



## CREDIT & DEBT LEGAL CASEWORK

### CASE STUDY

*Nolita filed for bankruptcy in June 2019 after her wages had been garnished a couple of times. She had a judgment debt relating to some furniture she had leased a few years earlier.*

*After she filed for bankruptcy, the garnishee order was initially stayed by the Official Trustee, but was then reinstated following incorrect instructions from the plaintiff that the debt was secured. The plaintiff took about \$556 from Nolita's wages after the garnishee order was reinstated.*

*Financial Rights wrote to the trustee and advised that the debt was unsecured, and outlined that the statement of claim was a liquidated debt and provable in her bankruptcy. Once again the garnishee order was stayed. We obtained permission to raise a dispute with the plaintiff to recover the incorrectly garnisheered amounts.*

*We raised a dispute with the plaintiff and requested that they refund the total wages that they had garnished after the date of bankruptcy. We argued that the wages were incorrectly garnished because the debt was not secured (since the plaintiff enforced the debt by a liquidated claim in the NSW Local Court).*

*The plaintiff refused our request. We then confirmed with the trustee that the right to recover*

*the incorrectly garnished wages did not vest in the trustee, given that the garnishee order should have been stayed from the date of bankruptcy, and that any amount Nolita recovered would be protected in her bankruptcy.*

*We then lodged a complaint to the Australian Financial Complaints Authority (AFCA), of which the plaintiff is required to be a member due to their credit license, requesting a refund of the incorrectly garnished wages, plus \$2,000 compensation for non-financial loss. Nolita was heavily pregnant when her wages were incorrectly garnished and she fell into rental arrears and was almost evicted from her home.*

*The plaintiff refunded the wages but refused our request for compensation. We asked that AFCA progress our complaint to determine whether she was entitled to any compensation.*

*The plaintiff made Nolita an offer of \$1,000 compensation, which she accepted. We again asked Trustee to confirm whether this compensation would be protected in her bankruptcy. They would not confirm whether the compensation vests in the trustee, however agreed not to take any action against Nolita to recover the funds.*



CREDIT & DEBT LEGAL CASEWORK

CREDIT & DEBT CASEWORK & TASKS TOP 10



81

HOME  
LOAN/  
MORTGAGE



75

CREDIT  
CARD



73

PERSONAL  
LOAN



46

ENERGY



37

MOTOR  
VEHICLE  
LOAN



23

TELECOMM-  
UNICATIONS



21

SMALL  
AMOUNT  
CREDIT  
CONTRACT



19

LEASE



16

NON-  
FINANCIAL  
PRODUCT/  
SERVICE



12

CREDIT/  
FINANCE

CREDIT & DEBT LEGAL CASEWORK

CASE STUDY

When Anita was 19 years old, her ex-partner asked to take out a personal loan of \$10,000 in her name with a major bank and promised to make the repayments. He applied for the first loan online via her app with her knowledge. He changed the password of her app at some stage (so she could no longer access the app) and was abusive towards her when she raised this with him.

She was not aware at the time that he actually applied for a \$15,000 personal loan, nor that he later applied online for three more credit facilities with the same bank in her name, a total of \$45,000.

Anita ended up entering a debt agreement when these loans were sold off to debt collectors. The debt collectors were enforcing the debts through the courts. Anita was desperate and did not know how else to deal with the situation. Her partner had also asked her to take out a car loan, which she did, but when they broke up he took the car, which she had never driven, and stopped paying the loan.

While Financial Rights was assisting to unravel the above mess, we discovered a credit inquiry with another major bank. Anita told us that she has never obtained a loan or made an inquiry with that bank. Further enquiries uncovered another debt in Anita's name that has since been sold to another debt collector. We obtained documents from the bank, and it was clear that a lot of the

information was fraudulent, and that the bank's own notes show that they suspected fraud a few times prior to authorising the loan.

Whilst the Debt Agreement was in place, we took steps to contact the creditors to instigate investigations into responsible lending breaches – with the view that if they were fraudulently or unsuitably entered that the debts ought to be educed and the debt agreement varied.

Many matters resolved directly with the financial institutions. But, the major bank refused and after an investigation through the customer advocate were still of the view that the bank had not erred in granting the loans despite the many red flags.

We lodged a complaint with the Australian Financial Complaints Authority and were disappointed to be excluded from AFCA's jurisdiction because she had entered a debt agreement which included the loans which were the subject of the dispute. AFCA has taken the view that the Debt Agreement is a "settlement" that has already conclusively dealt with the issues raised by the complainant. The matter was eventually resolved, and our client was pleased with the outcome

Financial Rights will continue to advocate for reforms in debt agreement so that consumers do not lose their rights in respect of debts that are disputed and that responsible lending laws are not wound back.

COURT & TRIBUNAL CASES

CASE STUDY

*Cameron lives in a strata title property. He has been on the Disability Support Pension for a number of years. Last year, mostly due to medical expenses, Cameron fell behind on his strata levies. In early 2020, his Strata obtained a judgment against him for around \$6,000 and, by the time Cameron contacted Financial Rights in late May, he was served paperwork to attend a Creditor’s Petition hearing. A Bankruptcy Notice had been issued and served on him in early March 2020.*

*In response to COVID-19, the Government made changes to the Bankruptcy Act and regulations which took effect from 25 March 2020, including raising the threshold of minimum amount to present a Creditor’s Petition against a debtor from \$5,000 to \$20,000.*

*Financial Rights disputed the filing of the creditor’s petition for an amount less than \$20,000 after 25 March 2020. The solicitors for the Strata maintained they were entitled to bankrupt Cameron as the bankruptcy notice was issued before 25 March 2020, and sought their cost of the petition of almost a further \$6,000. In our view the bankruptcy notice was valid, but the*

*subsequent creditor’s petition was not.*

*Cameron was able to access his superannuation under the COVID-19 early release rules and pay the outstanding levies and associated legal fees of around \$10,000. Cameron’s Strata continued with the Creditors Petition hearing and continued to seek their costs of the Petition.*

*We instructed Counsel who appeared at the hearing and sought orders that the Court exercise its discretion not to award costs to the creditor. We were successful in arguing the petition should never have been presented and costs were not awarded.*

*Had the threshold not been temporarily raised, Cameron may have lost his home over a \$6000 Strata debt.*

*Financial Rights continues to hold concerns about Strata corporations using bankruptcy as a means to pursue unpaid levies in the first instance. The fees can quickly escalate and result in the loss of peoples’ home. We support that the temporary threshold increase remain at \$20,000.*

COURT & TRIBUNAL CASES

Given the broad scope of the Australian Financial Complaints Authority, Financial Rights involvement in court matters usually only occurs when judgment has already been obtained and enforcement proceedings commenced, where a service provider is not licensed, or other unique circumstances exist. Many matters also may involve judgment, or the imminent risk of proceedings. With our intervention and assistance matters can resolve without the need for an appearance or defence.

Court matters can be time and resource heavy, and we try to pursue strategic litigation which is likely to assist consumers more broadly. Financial Rights also represents consumers in non-systemic matters to access justice.

In July 2019, Financial Rights along with Financial

Counselling Australia and Consumer Action Legal Centre released the report “Who is making Australians bankrupt?” (see page 51). The report looked at the data from the Federal Circuit Court in respect of bankruptcy proceedings commenced by creditors. The report is an important reflection of the type of casework and matters Financial Rights deals with on a routine basis as can be seen by the case studies of Cameron and Fran.

In 2019/20 we acted in a number of matters in the Local Court, Supreme Court and Federal Circuit Court, Federal Court.

	MATTERS	APPEARANCES
LOCAL COURT NSW	2	2
SUPREME COURT NSW	1	9
FEDERAL CIRCUIT COURT	3	9
FEDERAL COURT	1	1

## FINANCIAL COUNSELLING CASEWORK

Financial Rights' counselling clients include:

- Clients who are also being assisted by Financial Rights' solicitors across our services including insurance and Mob Strong,
- Clients who have difficulty obtaining an appointment with their local financial counsellor because, for example, the client is unable to travel; the local financial counselling agency cannot take additional appointments; the local financial counselling agency has

a conflict; or there is no local financial counselling agency available in the client's locality,

- Clients who are in prison.

Many of the clients assisted by our legal practice have benefited enormously from also having the services of a financial counsellor. In other cases our financial counsellors have produced great results without any legal assistance required.

## CASE STUDY

*Sam is a single parent, homeless living in regional NSW. She contacted Mob Strong Debt Help as she was due in the Local Court for an examination notice in the next few days. The judgment related to a phone debt which she disputed. She instructed us when the phone contracts were entered she had been in and out of hospital following the birth of her son. She was in receipt of a Disability Support Pension. She instructed us she was unable to read or write. She told us her friends had taken her to the stores to obtain the phones, they had promised they would pay her back and pay the bills. They didn't and Sam was left with the debt.*

*Our financial counsellor and lawyer negotiated an urgent adjournment of the examination summons as we assisted her with the debt. Our financial counsellor liaised with a local counsellor to assist with reading Sam our letters and reviewing her statement of financial position. Our counsellor advocated for the debt to be waived in light of the circumstances of our client and the entry into the contracts.*

*The debt collector agreed to release Sam from the \$3,000 debt.*

## CASE STUDY

*Our counsellors work with clients to determine the best outcomes, being either waivers or affordable repayment arrangements based on their financial circumstances*

*Louise lives in rural area NSW and was working part-time but she became ill and her local GP medically retired her from work. Louise now receives Centrelink payments.*

*Louise had a personal loan obtained a few years ago when she was able to afford the repayments. She lived in private rental had no other debts. Our financial counsellor worked with Louise and requested the bank release her from the \$34,000 debt and the bank agreed.*

67

CASES OPENED

## CASE STUDY

*When Nellie called us her husband had recently passed away and she had been issued with a default notice on her credit card. Nellie was 71 years old and had been in receipt of the Aged Pension for the last nine years. She was in remission with cancer and was the carer of her elderly parents. Apart from an old car and household items, Nellie's only asset was the old home in which she lived.*

*Our counsellor prepared a Money Plan, which*

28

CASES CLOSED

105

TASKS

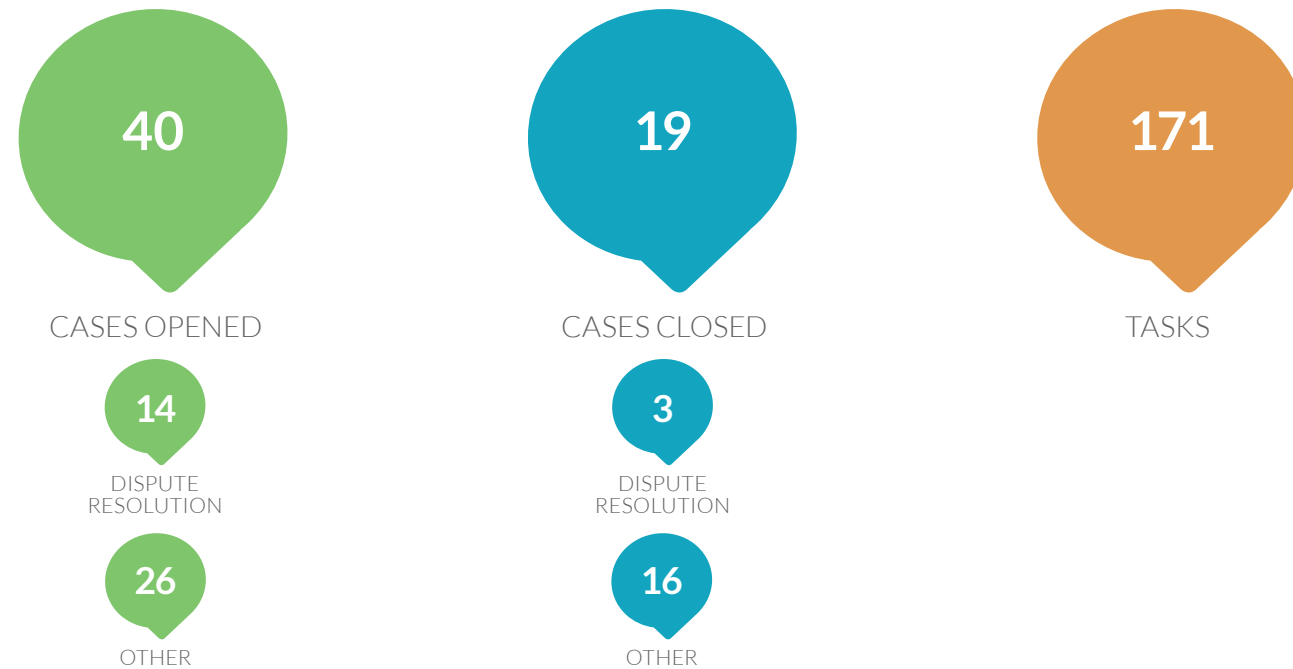
*showed that she was able to afford repayments on her credit card of \$50 per fortnight but this was dependant on her continuing to receive Centrelink Care Allowance for caring for her very elderly parents. Initially the plan was a repayment arrangement on a reduced settlement amount with no interest. But, given the precariousness of her future the counsellor advocated and obtained a full waiver as a gesture of good will on the outstanding debt of almost \$4,000*



## INSURANCE LEGAL CASEWORK

In early 2019 our casework continued to focus on poorly sold insurance like consumer credit insurance, funeral insurance policies and bad claims handling which all impact heavily on vulnerable consumers. Unsurprisingly, the trend in insurance cases took a noticeable shift as the year progressed.

Our solicitors deployed their expertise to assist consumers impacted by bushfires (see case study on page 23) and the impact of COVID-19 on travel insurance. The introduction of the “press 1” for natural disasters on our very busy hotline staff were able to triage consumers who were in urgent need of assistance.



## INSURANCE LEGAL CASEWORK

### CASE STUDY

*Narelle's home in Northern NSW was destroyed as a result of a bushfire in late 2019. Her home needed to be rebuilt and it was expected to take at least 12 months. She had home and contents insurance. Under her policy, she is entitled to \$20,000 for temporary accommodation, which is in addition to the sum insured under her policy.*

*The insurer notified Narelle that it had booked her three weeks of accommodation, at a cost of \$205-\$220 per day and totalling approximately \$5,700. The insurer had not consulted with her beforehand as to her requirements nor did it confirm that she wanted to proceed with this booking. Narelle stayed at the booked accommodation for the first week but realised it was too expensive to stay there long term. She raised her concerns with the insurer about the high cost of the accommodation, and explained that she needed to cover the costs of temporary accommodation for at least 12 months. She asked for the accommodation to be cancelled.*

*The insurer responded that it had already paid for this accommodation up front and it could not do anything unless the owners agreed to a refund. The owners ultimately did not agree to a refund. Narelle moved out of this accommodation and moved into a community refuge centre, where she pays \$125 per week.*

*We assisted Narelle raise a dispute with the temporary accommodation entitlement. Specifically, we raised that the insurer had not acted fairly or reasonably in booking and paying for accommodation, which used up more than a quarter of her temporary accommodation entitlement, without consulting with her beforehand. We argued that this conduct was not consistent with the insurer's duty of utmost good faith nor its obligations under the General Insurance Code of Practice.*

*The insurer agreed to refund Narelle the entire value of the prepaid accommodation, including the week she actually used. Narelle was very pleased with this outcome.*

INSURANCE LEGAL CASEWORK

INSURANCE CASEWORK & TASKS TOP 10



53

TRAVEL  
INSURANCE



34

MOTOR VEHICLE  
INSURANCE  
(COMPRE-  
HENSIVE)



28

FUNERAL  
INSURANCE



24

HOME  
BUILDING  
INSURANCE



13

SUPER/  
LIFE/TPD



12

LIFE  
INSURANCE



8

INCOME  
PROTECTION  
INSURANCE



7

CONSUMER  
CREDIT  
INSURANCE



7

MOTOR VEHICLE  
INSURANCE  
(3RD PARTY  
PROPERTY)



4

GAP  
INSURANCE



4

HOME  
CONTENTS  
INSURANCE

INSURANCE LEGAL CASEWORK

CASE STUDY

We aim for our tasks and casework to reflect what is happening out in the real world and to help us systemically improve practices and push industry to act fairly in all the circumstances.

With the impact of COVID-19 closing borders, many Australians found themselves cancelling planned holidays and returning to Australia before they were left stranded overseas. The insurance law service started receiving lots of calls from people disappointed and confused when their claims on their travel insurance were rejected.

Jenny purchased travel insurance in November 2019 for a trip in April 2020. In March 2020 the Governments travel ban came into force and she was no longer able to travel. Jenny did not need to claim on her policy, all of her expenses were refunded. But, she contacted her insurer to see if she could get a refund of premiums as the policy is now essentially useless. Her insurer refused.

Simultaneously, Financial Right was making submissions to industry associations and to the regulators as to our expectations of industry in light of the pandemic, including in respect of hardship in relation to policy holders and the expectation travel insurers would refund premiums in circumstances where the policy was of no value to the consumer.

For Jenny we helped her with a letter outlining that whilst the policy limited her right to a refund to the first 14 days after she purchased, it would be a breach of their duty of good faith not to refund. Jenny contacted us shortly after she sent the email to advise us she had received a full refund.

Many industry participants publicly announced that they would refund unused insurance premiums. Our policy team worked hard to ensure these announcements were uniform and transparent to all impacted consumers.

## INSURANCE LEGAL CASEWORK

### CASE STUDY

*Funeral insurance has been a significant concern for Financial Rights not only in Aboriginal and Torres Strait communities but other vulnerable communities who are often not aware of the complexity of the products, the potential costs of the products and sometimes limited value of the products.*

*Raylene contacted us when she was in her mid-70's. Her sole source of income was the aged pension. She contacted us as her funeral insurer would not cancel her policy. She told us she had been trying for a while as it was unaffordable. She was struggling to meet her everyday living expenses and is reliant on Meals on Wheels.*

*We requested and reviewed the documents and phone recordings from the insurer. We discovered Raylene had first taken out the policy in 2012. A few days after she purchased the product (in response to TV advertising) she phoned to cancel the policy as she already had an existing funeral insurance policy, which she had forgotten about.*

*When she first tried to cancel the policy she was subjected to onerous cornering tactics by the insurer to stop her from cancelling the policy, despite Raylene being within the cooling off period. She was convinced to continue making payments on the basis that the payout was doubled, even*

*though she did not really understand that doubling was in very limited circumstances.*

*Over the course of the next seven years Raylene made numerous attempts to cancel the policy due to its unaffordability. She explained to staff that she could not afford to pay the premiums due to having less in her pension because of a Meals on Wheels payment and that she was depressed and struggling to cope. She even asked the bank to stop direct debits, only to have the insurer convince her to unblock it. The insurer responded to her lack of affordability by offering her a one off food voucher to entice her to stay.*

*We raised a dispute arguing they had breached their duty of utmost good faith and making the cancellation procedure so hard was unfair. We cited the conduct of the insurer was not dissimilar to that uncovered in the Banking Royal Commission in its sales tactics and retention strategies and that Raylene was clearly vulnerable. The insurer agreed to refund the premiums paid on the policy.*





## MOB STRONG DEBT HELP

Mob Strong Debt Help (Mob Strong) welcomed our new Aboriginal Service Coordinator Amanda Cameron. Amanda hit the ground running starting off with guest speaking at the 10th National Indigenous Women Empowering Change Conference held in Alice Springs in July 2019 on financial hardship in Aboriginal communities. Both Amanda and Aboriginal solicitor Mark Holden attended Alice Springs and met with local Aboriginal and non-Aboriginal services to learn more about the issues they are facing and to promote Mob Strong Debt Help. Amanda and Mark were very busy meeting with communities and attending various events including the PCYC Mt Druitt Say No to Violence, Share the Journey held by Tharawal Aboriginal Corporation and on the road tour to Tingha and Armidale with Sydney region Aboriginal Corporation.

Mob Strong continued to work with The Good Service Mob and provided outreach services in Coffs Harbour and Grafton. During this trip staff took this opportunity to engage with key local Aboriginal and non-Aboriginal services. Mark and Amanda have attended many outreach locations including Western Sydney, South West Sydney, Armidale, Tingha, Inverell, Tamworth, Santa Teresa, Hermannsburg and Alice Springs. Each outreach has been a key opportunity to learn more from the community about what financial issues they are facing and what we can offer them to resolve it.

Amanda and Mark have presented to a range of Aboriginal and non-Aboriginal services including

Local Aboriginal Land Councils, Aboriginal Medical Services, Aboriginal men's and women's groups including men's groups in Miller NSW and Mount Druitt, Government and Non-Government agencies, Employment agencies, health services, Housing Services, Welfare Services, Head Space, Youth Services, Domestic Violence Services, Legal Services, Family Services, Centrelink, Central Aboriginal Congress, Mission Australia, Anglicare, Salvation Army, homeless services and interagency meetings.

Mob Strong is linked in with key local Aboriginal interagency networks including the Inner West Sydney Aboriginal workers network, Inner Sydney Aboriginal Interagency Network (ISAIN), Western Sydney Koori interagency network, Parramatta Koori Interagency network and Communitary Legal Centres Yarn Up and Yarn up Western Sydney network. Mob Strong is also linked in with other Aboriginal and Torres Strait Islander networks across Australia. Mob Strong remains linked in with the FCAN ATSI network and attends monthly conference calls with the network. Financial Rights is committed through Mob Strong to provide support for these services through referrals, future community education and discussing local issues and how to address them.

Amanda travelled to Brisbane to meet with The National Association of Community Legal Centres (NACLC) Aboriginal and Torres Strait Island women's network and has attended the Financial Counselling Australia network (FCAN) conference in Tamworth



## MOB STRONG DEBT HELP

where she obtained the Money Minded facilitator accreditation training from ANZ Bank. Amanda has built stronger ties with NACLC and FCAN to propose promising projects including funding for an Aboriginal financial counsellor.

On 26 January 2020 Mob Strong were invited to have information stalls at two major Indigenous events on January 26th, 2020 including Yabun in Sydney and the Cooee Festival in Western Sydney. Mob Strong staff engaged with hundreds of attendees to promote our service through our stalls, discussions with other services and attendees and distributing Mob Strong merchandise (our bouncy balls were the most popular).

Mob Strong were invited by the National Rugby League (NRL) to have an information stall at the 2020 Indigenous All STARS game held on the Gold Coast, with a potential reach of 54,000 people. Mob Strong took this opportunity to engage with Aboriginal and Torres Strait Islander services and main stream services in Brisbane, Logan, Inala and Toowoomba. Mob Strong was one out of less than five other organisations who were given this privilege to yarn with the stadium attendees and are very grateful to the NRL for the opportunity.

Mob Strong remains linked in with the Good Services Mob and attended the Good Service Mob outreach day in Bathurst NSW. Unfortunately due to the COVID-19 pandemic the rest of the Good Service outreach events for 2020 were cancelled.

COVID-19 has had a significant impact on the way Financial Rights and Mob Strong operated including how services and outreach were delivered. With Government policy's requiring staff to work from home and all non-essential travel cancelled this has had a huge impact on how Mob Strong can deliver information to communities and services. This included all planned community visits and key community events such as reconciliation week, NAIDOC week and key conferences (local, state wide and national).

Financial Rights recognises that continued delivery of support to not only local but state wide and national Aboriginal and Torres Strait Islander people is critical at this time. Many of our clients are already experiencing a range of hardships and vulnerabilities. It was important that we maintained a strong level of support during this time. Our staff maintained contact with all available stakeholders and their meetings through email, post, phone and zoom conferences. Keeping contact with

the stakeholders was crucial with maintaining Mob Strong's goodwill and allowed us another avenue to conduct outreach and provide services in these trying times.

As the COVID-19 pandemic evolved, Mob Strong continued to ensure that the most vulnerable people in our communities, especially rural and remote communities, were not left behind.

Social media such as Facebook became more important at this time when vulnerable consumers



MOB STRONG DEBT HELP

were lacking access not just to services but to their own mob during lockdown. Screen time increased among adults during COVID-19. This meant that more people accessed social media to obtain information. Our Mob Strong Facebook continues to grow with an average of 8 new likes per week with a weekly reach audience up to 2000 views. One of Mob Strong's recent paid ads obtained an audience reach of 89,000 plus people. Our Mob Strong Twitter account focuses on reaching Aboriginal and Torres Strait Islander organisations and professionals to update them on any new legal and financial issues which may impact their communities

Mob Strong continues to see a rise of issues in

## CASE STUDY

*Financial counsellors and solicitors work together. In February 2020 Government announcements were to stay home and stay safe from COVID-19. Borders were shutting, and banks and other lenders were releasing their hardship policies and moratoriums as the economy shut down. Many consumers on the edge were about to be pushed even further to the edge.*

Robbie contacted Mob Strong Debt Help having received a notice to vacate from the Supreme Court of NSW to vacate his country property where he lived with his dependent wife and children in a few weeks. His family all identified as Aboriginal and were concerned they were more vulnerable to the impact of the virus so were self-isolating. If the eviction proceeded they would have nowhere to go and with virus levels not yet

the community including payday lending, funeral insurance, energy disconnection, Buy Now Pay Later services (such as Afterpay), consumer leases and car loans. Many of the calls we received ended up with further services including referrals, legal tasks and legal representation.

Mob Strong continues to work with community so that they know we can help people who feel trapped and ashamed by financial issues. Mob Strong will also continue to attend key Koori and other interagency meetings and build on partnerships to provide more outreach services across the country.

*under control potentially at a high risk. Banks had not yet announced moratoriums on evictions from those consumers already in distress.*

At our lawyers suggestion Robbie lodged a complaint to the Australian Financial Complaints Authority post judgment jurisdiction. The jurisdiction is limited, but can include hardship in relation to moving. We were hopeful that our client's proposal to make some payments, put the house on the market and the impact of COVID-19 would mean the eviction would be cancelled. We assisted Robbie negotiate a 6-month hardship variation and the bank contributed significant good will payments to clear the arrears. Robbie worked with one of our financial counsellors to make sure he could make the ongoing repayments.

## RECONCILIATION ACTION PLAN

Financial Rights was able to achieve its objectives under its “Reflect” Reconciliation Action Plan after it was released in October 2018. Completing the objectives has given Financial Rights greater understanding in the deep historical roots of the traditional owners and the transgressions made against them. This understanding has formed a strong foundation towards building reconciliation.

The next stage of our Reconciliation Action Plan is “Innovate” where we must evolve our action plan to

include something more unique that only Financial Rights can provide. Unfortunately, the COVID-19 pandemic created very pressing and immediate problems which stalled our Innovate action plan. However, we have made virtual steps towards reconciliation including consistent engagement with Aboriginal community groups and Zoom staff meetings to discuss cultural issues and events.





## POLICY & LAW REFORM

Policy and law reform advocacy remains a vital part of Financial Rights' work. Our large volume of advice and casework assists us to identify systemic issues, and many examples are used in our submissions to government and industry inquiries.

### POLICY PRIORITIES

#### 1. Royal Commission Implementation

Making sure the Government makes good on its promise to implement all 76 recommendations from the Financial Services Royal Commission

#### 2. Data & AI effect on financial inclusion (CCR, CDR, Big Data)

We know financial services are using consumer data more and more to price their products and direct their marketing. How can we ensure this data helps consumers as much as possible, especially vulnerable ones.

#### 3. Responsible Lending

This area of law got left out of the Financial Services Royal Commission even though it is screaming for some reform. We need to advocate for better lending laws and stronger enforcement.

#### 4. Bankruptcy Reforms

Australian bankruptcy laws are overdue for a review and there are several big changes we would like to see take place.

### 2019-20 POLICY OUTCOMES

This year our policy team had a lot of measurable impact. Some of these wins were the result of years of relentless advocacy, while others were the result of being prepared to move quickly when an opportunity for change came along.

#### 1. Bankruptcy Threshold

In July 2019 Financial Rights co-authored a report with Consumer Action and Financial Counselling Australia entitled Who is making Australians bankrupt? The report received significant coverage in the media including on ABC 7.30 and highlighted serious issues with debt collection practices and with the bankruptcy regime itself.

The Report and media attention led to several major wins. The Australian Banking Association as well as several prominent debt collectors released new guidelines to reduce bankruptcies in line with our recommendations. In November 2019 the Attorney General also announced a formal review into raising the bankruptcy threshold to which Financial Rights took the lead in writing a joint consumer submission.

## POLICY & LAW REFORM

### 2. Implementation of the Financial Services Royal Commission



Following the release of the Financial Services Royal Commission Final Report and the Government's commitment to take action on all 76 recommendations, Financial Rights has worked hard advocating for and engaging with the implementation program.

Financial Rights has led substantial submissions and provided significant input into the drafting of the legislation arising out of the Royal Commission. By the end of June 2020, we have seen the introduction of:

- A new unfair contract terms regime for insurance, and
- The removal of the exemption of funeral insurance from the regulations

### 3. The COVID-19 Crisis



With the COVID-19 crisis, we shifted away from working on the Implementation of the Royal Commission recommendations (which were put on hold) towards ensuring that government and industry introduced fair approaches to supporting Australian financial service consumers through the difficulties of the moment. Outcomes included:

- working with the Australian Banking Association to ensure lenders treated

consumers experiencing financial hardship as fairly and compassionately including the way they reported hardship on credit reports;

- Working with regulators and peak bodies to ensure insurers treated consumers fairly with respect to financial hardship, travel insurance claims, landlord insurance complexities, as well as helping bushfire victims during this period;
- Advocating for bankruptcy rules relief – including the lifting of the bankruptcy threshold from \$5,000 to \$20,000.

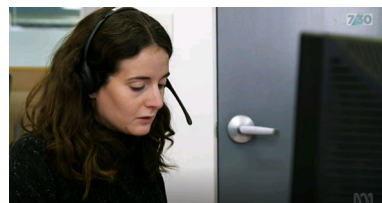
### 4. A new General Insurance Code of Practice



Financial Rights led the joint consumer consultation on the new General Insurance Code of Practice for three years. It was an incredibly drawn out process but we achieved some tremendous outcomes including new code obligations on:

- Consumers experiencing vulnerability
- Financial hardship
- Settlement of claims
- The use of investigators
- Complaints handling
- Family violence guidelines
- Mental health guidelines
- A strengthened sanctions regime.





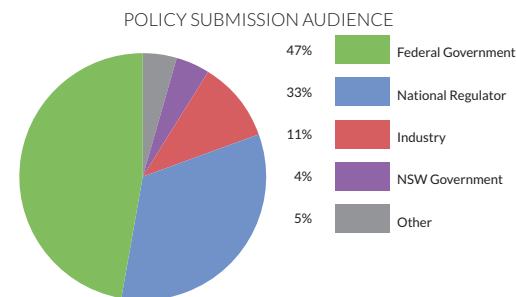
## POLICY &amp; LAW REFORM

## SUBMISSIONS

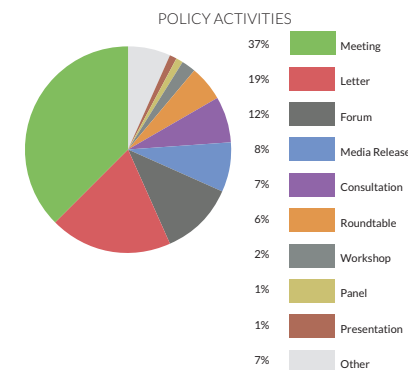
The Financial Rights Legal Centre made significant contributions to legal and regulatory reform during 2019-2020 including 66 written policy submissions and over 250 other activities including letters, meetings, consultations and appearances at parliamentary committee hearings.

Some major reports and inquiries that directly mentioned our contribution during this financial year include:

- ACCC's Northern Australia Insurance inquiry report
- Maddocks Consumer Data Report Privacy Impact Assessment
- ASIC Report 632 Disclosure: Why it shouldn't be the default
- AHRC Human Rights & Technology Discussion Paper



TOTAL: 66



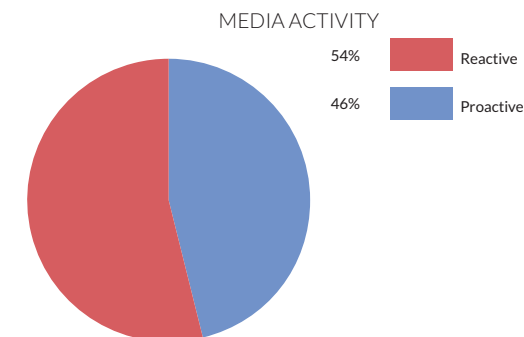
TOTAL: 255

## POLICY &amp; LAW REFORM

## MEDIA MENTIONS

Financial Rights continues to be very active in various forms of media including news websites, print, radio and television. Engaging with the media is a key opportunity for us to:

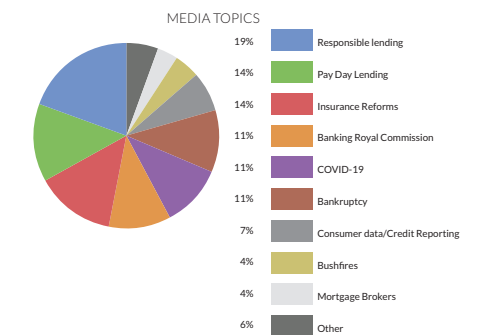
- Increase awareness of our Centre and all the services we are providing;
- Educate consumers about their rights and warn them about potential pitfalls;
- Encourage and facilitate debate on law-reform issues and changes to industry practice.



TOTAL: 212

Our Director of Casework Alexandra Kelly and our CEO Karen Cox, as well as a handful of other staff members have made significant contributions appearing on ABC Radio, ABC TV, The Sydney Morning Herald, The Age, The Australian, SBS TV, The Guardian, Australian Financial Review, The Daily Telegraph and many more.

This year our main contributions to the news in the financial rights space were to do with the implementation of the Royal Commission into Misconduct in the Banking, Superannuation and the Financial Services Industry, Pay Day Lending and Responsible Lending.



TOTAL: 212

## WEBSITES

Financial Rights continues to operate the three important websites:

- Financial Rights main website: [financialrights.org.au](http://financialrights.org.au)
- Insurance Law Service: [insurancelaw.org.au](http://insurancelaw.org.au)
- The Motor Vehicle Accident portal: [mva.financialrights.org.au](http://mva.financialrights.org.au)

These websites contain a wealth of resources designed to help consumers self-advocate and feel more confident about their rights when dealing with debt collectors, negotiating with their financial service providers, or even lodging disputes with an ombudsman service. The websites contain more than 80 legal information factsheets, sample letters, 'Know Your Financial Rights' checklists, a financial counsellor search tool for consumers in NSW and much more.

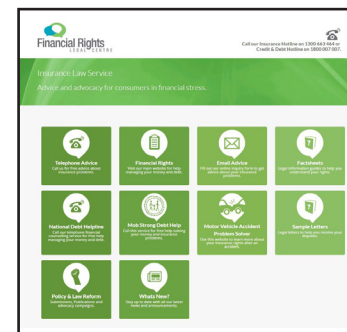
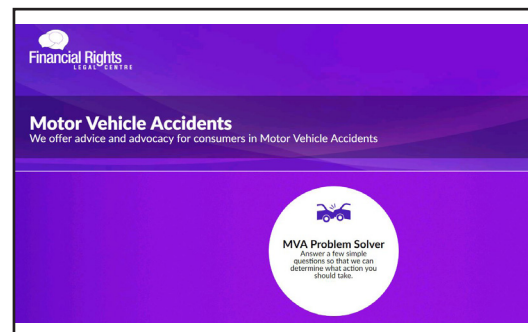
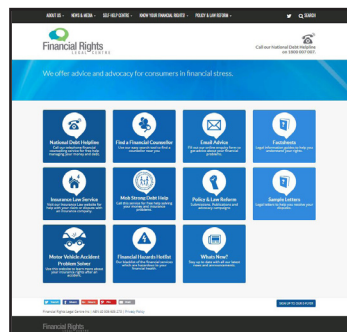
This financial year our websites were visited by more than 310,000 unique users.

The MVA portal attracted more than 31,000 unique users. That is more almost double the amount of unique users it had last year (which itself was double

the number from its inaugural year in action). This unique and interactive site helps people through the complications, pitfalls and hurdles of dealing with car insurance after an accident. Users can answer a few simple questions and the 'problem solver' will lead them to the actions they need to take and provide advice, sample letters and tailored factsheets they need.

Users of Financial Rights main pages also doubled in usage from 2018-19 to 2019-20 from approximately 52,000 users to 104,000.

Financial Rights' free interactive letter generator has also been a great success, helping consumers, or community workers create professional and legal letters to send to financial service providers like banks, creditors and insurance companies. The tool is designed for people to use without assistance, and also for community workers to use with their clients. This year our letters were visited more than 37,000 times. Many of these visits would be repeat visits by caseworkers who find them useful in assisting clients in financial stress. By far the most popular sample letter is our Letter Requesting a Hardship Variation, followed by our Letter to an insurer raising a dispute.



## PUBLICATIONS

### WHO IS MAKING AUSTRALIANS BANKRUPT?

Financial Rights Legal Centre, Consumer Action Law Centre, and Financial Counselling released the report Who is making Australians bankrupt? In August 2019. The report reviews the applications in the Federal Court of Australia to make people bankrupt over the past four financial years (2015-16, 2016-17, 2017-18 and 2018-19). The report was put together after financial counsellors and community lawyers noticed that some creditors regularly bankrupted people while other creditors did not.

The report found Lion Finance made court applications for bankruptcy 445 times in the nine months between July 2018 and March 2019 – more than 20 times that of other debt collectors of a similar scale.

The Australian Taxation Office (ATO) is also a very frequent user of the bankruptcy process, though its

use of the legal procedure is reducing.

The report was the first report to publicly disclose which creditors are seeking to make Australians bankrupt.

This report aims to change the way creditors use bankruptcy as a way to enforce a debt. The report calls for debt collectors and other creditors to only use bankruptcy as a last resort, and for bankruptcy law to be changed so that a person cannot be made bankrupt over a very small debt. Banks and lenders who sell debt should only use ethical debt collectors and maintain oversight and control of their debt collector's use of court processes.

<http://financialrights.org.au/wp-content/uploads/2019/08/Who-is-making-Australians-bankrupt-July-2019.pdf>



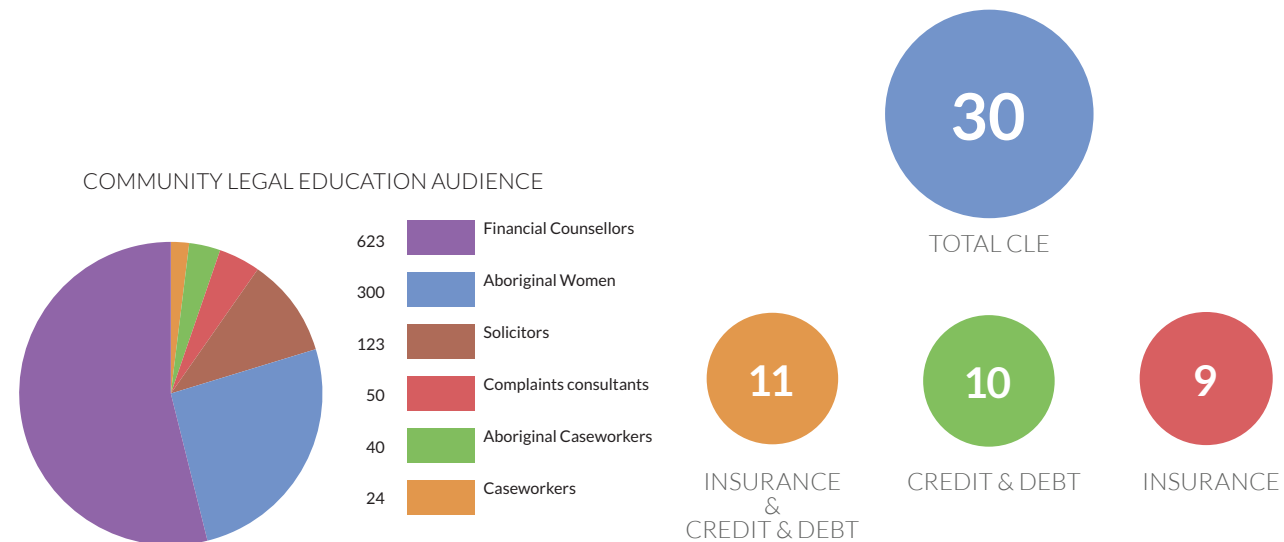
## COMMUNITY LEGAL EDUCATION

Community Legal Education (CLE) presentations and workshops presented by our solicitors and financial counsellors are a vital part of Financial Rights work. Our CLE strategy is geared toward spreading our specialist skills and knowledge using the most effective means, which most often means training up other workers to better assist their clients or spot appropriate referrals to our service. True to our strategy this year we provided training to financial counsellors, community workers, mental health workers, solicitors in the community and Legal Aids across Australia.

We pivoted from face to face to online as COVID-19 hit.

Highlights include:

- Training over 100 financial counsellors on bushfire issues in our first Zoom, and enabling the training to be recorded and hosted on our website;
- Presenting to over 30 lawyers from the North Australian Aboriginal Justice Agency, Kimberly Community Legal Centre, Northern Territory Legal Aid and WA Legal Aid simultaneously using Legal Aid NSW's audio visual link technology on funeral insurance and common credit and debt issues
- Travel insurance issues in relation to COVID-19 to the Hunter community legal centre.



## REGIONAL VISITS

Financial Rights strategic plan includes conducting regular visits to regional areas of NSW in order to reach a broader demographic of people than we are likely to reach with our phone services and online resources.

In 2020/19 we were delighted to visit and present in person to Broken Hill, Tamworth, Armidale, Shoalcoast, and Nowra.

Financial Rights was originally asked to the Shoalcoast in early 2020 to run a training on funeral insurance. Their community was then ravaged and very badly effected in the 2020 fires and so the training was able to cover common bushfire issues. Our solicitor said of the event: "It's so good to be

able to resource the solicitors that are there on the ground and also to hear about what the Shoalcoast solicitors are encountering as it informs our practice at Financial Rights going forward."

Financial Rights also attended community events arising from the bushfires including an Ulladulla Town Hall meeting, St Albans community meeting.



FINANCIAL STATEMENT

FINANCIAL RIGHTS LEGAL CENTRE INC			
ABN: 40 506 635 273			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
For the Year Ended 30 June 2020			
	Note	2020	2019
		\$	\$
INCOME			
Grants	2	2,412,554	2,140,709
Project income	3	404,948	-
Interest revenue		46,164	91,296
Other income		104,873	12,446
		2,968,539	2,244,451
EXPENDITURE			
Salaries		2,640,456	2,362,447
Superannuation		244,626	218,388
On costs		116,810	46,404
Rent		-	189,932
Premise Lease Depreciation		185,957	-
Premise Lease Interest		8,000	-
Repairs and maintenance		336	8,281
Other Premises Costs		31,577	20,714
Staff Training		5,199	18,461
Staff Recruitment		675	2,636
Communications		84,285	91,947
Office Overheads		53,697	56,064
Insurance		6,217	6,907
Finance, Audit & Accounting Fees	4	10,668	10,587
Library, Resources & Subscriptions		30,204	24,443
Travel		17,743	19,961
Programming and Planning		47,780	22,010
Client Disbursements		503	900
Minor Equipment		12,211	14,432
Depreciation and Amortisation		41,601	41,859
TOTAL EXPENSES		3,538,545	3,156,373
Deficit from ordinary activities		(570,006)	(911,922)
Other comprehensive income		-	-
Total comprehensive surplus / (deficit)		(570,006)	(911,922)

FINANCIAL RIGHTS LEGAL CENTRE INC			
ABN: 40 506 635 273			
STATEMENT OF FINANCIAL POSITION			
As at 30 June 2020			
	Note	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		886,731	1,066,557
Financial Assets	5	2,702,399	3,179,638
Trade and other receivables	6	77,868	42,435
Prepayments		19,497	23,089
Other current assets		10,000	10,000
TOTAL CURRENT ASSETS		3,696,495	4,321,719
NON-CURRENT ASSETS			
Rental Bond		37,159	37,159
Financial assets	5	29,758	29,276
Property, plant and equipment	7	39,237	66,941
Right of Use Asset	8	90,624	-
TOTAL NON-CURRENT ASSETS		196,778	133,376
TOTAL ASSETS		3,893,273	4,455,095
CURRENT LIABILITIES			
Employee Benefits	9	580,562	484,836
Grants received in advance		67,742	297,406
Other provisions		47,857	47,857
GST liabilities		1,169	6,434
Employee liabilities		163,985	132,160
Creditors & Accruals		31,118	20,946
Premise Lease Liability		93,408	-
TOTAL CURRENT LIABILITIES		985,841	989,639
NON-CURRENT LIABILITIES			
Employee Benefits	9	27,885	15,903
TOTAL NON-CURRENT LIABILITIES		27,885	15,903
TOTAL LIABILITIES		1,013,726	1,005,542
NET ASSETS		2,879,547	3,449,553
MEMBERS' FUNDS			
Reserves	10	21,916	21,916
Retained surplus	11	2,857,631	3,427,637
TOTAL MEMBERS' FUNDS		2,879,547	3,449,553

FINANCIAL STATEMENT



## FINANCIAL RIGHTS LEGAL CENTRE

Level 1, 80 Cooper St. Surry Hills NSW  
PO Box 538 Surry Hills NSW 2010

National Debt Helpline: 1800 007 007  
Insurance Law Service: 1300 663 464  
Mob Strong Debt Help: 1800 808 488  
Advice Hours: (EST) 9:30am – 4:30pm weekdays

Email: [info@financialrights.org.au](mailto:info@financialrights.org.au)

Websites: [financialrights.org.au](http://financialrights.org.au) [insurancelaw.org.au](http://insurancelaw.org.au) [mva.financialrights.org.au](http://mva.financialrights.org.au)

Office Hours: 9:30am – 5:00pm weekdays  
Administration: (02) 9212 4216  
Fax: (02) 9212 4711

ABN: 40 506 635 273