



**Financial
Rights**
LEGAL CENTRE

Financial Rights

Getting out of a Debt
Agreement



**Annual
Report
2021**



About us

The Financial Rights Legal Centre is a community legal centre which specialises in helping people understand and enforce their financial rights in relation to consumer credit, banking, insurance and debt recovery.

We focus particularly on assisting low-income, marginalised or disadvantaged consumers who need help to solve complex problems and gain greater financial freedom. We also use our experience helping individuals to argue for improved consumer protection laws and a fairer marketplace.

Our purpose

- To provide advice and advocacy for people in financial stress
- Provide high quality legal advice, financial counselling and information
- Promote access to justice
- Advocate for a fair and equitable financial services sector and improved financial wellbeing
- Support our people and our planet

Our values

- Respect and integrity in all our dealings with clients, stakeholders and colleagues
- Quality in all our services and activities
- Independence from conflicts of interest
- Empathy and compassion for the circumstances in which people find themselves
- Empower 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



Financial Rights Legal Centre acknowledges all Traditional Owners of Country across Australia and particularly the Gadigal people of the Eora nation, on whose Land the Financial Rights Legal Centre's office is located. We pay our respects to cultures, and to Elders past, present and emerging and recognise the continuing connection to lands, waters and communities.

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Front cover: Financial Rights Chief Executive Officer Karen Cox presenting at the Financial Counselling Australia conference 2021. Photographer: James Grant

At a glance



14,301

Total contacts for free legal advice or financial counselling

15,064

Total number of services provided

8,752

Contacts about credit and debt

5,549

Contacts about insurance

644

Contacts answered through Mob Strong Debt Help

578

Contacts answered through disaster priority line

171

Credit & debt email enquiries

494

Insurance law email enquiries

2,663

Referrals to face-to-face financial counsellors

490

Legal tasks (312 credit & debt, 178 insurance)

273

Cases opened

235

Cases closed

142

Complaints to regulators and authorities

52

Policy submissions

230

Media mentions

46

Community education

Chair / CEO report

2020-21: A year of the unexpected:

No matter what challenges are thrown at us, the team at Financial Rights Legal Centre remains focused on helping people in the toughest moments of their lives, many who face the risk of losing their home, have lost their job or confront pressures from Australia's biggest businesses such as banks.

Our dedicated management team along with our expert solicitors, financial counsellors, and policy advocates have shown incredible resilience this year, delivering services online and at-home when people really needed them. One of our strategic objectives has been to reduce the amount of time our professional staff spend providing light-touch information services and increase our substantive assistance. We recognised this would reduce the overall number of consumers we talk to, but the goal was to increase our impact on those we do assist. We have certainly progressed in that direction this year with information services down 57% compared to two years ago, task assistance up 25% and casework services up an impressive 90%. This has had an impact on our ability to obtain great outcomes for clients, with monetary outcomes valued at over \$2.5million this year, along with non-financial outcomes, like improved health and relationships, peace of mind and quality of living, that are impossible to put a price on.

Our Mob Strong Debt Help service continues to grow with its specialised staff reaching out to Aboriginal and Torres Strait Islander communities by pivoting to online networking and service provision. We have seen life-changing outcomes for First Nations people, who represented 28% of our casework clients.

Financial Rights has been fearless in its advocacy work, particularly in a joint campaign to halt the repeal of responsible lending laws. The stories of clients and the experience of Financial Rights solicitors and counsellors revealed the danger of removing these critical protections for people borrowing money.

Our special thanks go to the members of the board for their hard work and flexibility during a year where most of our formal business was conducted via online conferencing. We are lucky to have a volunteer board that brings a wealth of experience from legal, accounting, education, communications, innovation and not-for-profit governance. As a board, we will continue to focus on the best way to support our organisation as it assists and champions the interest of consumers.

Some large challenges lie ahead, particularly concerning funding. Like many not-for-profits, Financial Rights has been funded by a patchwork of grants. A large portion of our work over the past six years has been funded by one-off grants. The board's key priority is sourcing and securing recurring funds to ensure the stable provision of our important services into the future. This is a critical time with demand for our services ever-increasing.

We thank our current funders and our dedicated staff whose ongoing support ensures the rights of the most vulnerable consumers in our community are protected.



Erin Turner
CHAIR



Karen Cox
CEO

Activities



Advice, information and referral

A large part of the work of Financial Rights is to provide information and advice to the public, financial counsellors and other caseworkers in our areas of expertise.

We provide advice, information and referral through five advice lines. This allows us to give people vital information when they need it to solve their money related problems, to gather intelligence about the consumer experience with money related products and services, and to identify those people most in need of further assistance.

Total information services:

5,477

Total advice services:

8,824

Top languages spoken at home other than English:

Arabic

Mandarin

Vietnamese

Cantonese

Hindi

Demographics for advice

52%

Male



48%

Female



Young people (under 24)

3%

Older people

15%

Impacted by family violence

3%

Mental illness or disability

12%

Regional or remote

6%

Aboriginal or Torres Strait Islander

5%



Main language other than English

7%

Demographics for casework

31%

Male



68%

Female



Young people (under 24)

9%

Older people

24%

Impacted by family violence

21%

Mental illness or disability

43%

Regional or remote

14%

Aboriginal or Torres Strait Islander

28%



Main language other than English

16%

Task and casework

From our extensive consumer contacts we identify the people who most need further assistance. In many cases this will mean providing task assistance where we lodge a complaint, or draft submissions for the client to send or contact a creditor or the court to get further information. In a smaller number of cases we provide representation by a solicitor, financial counsellor or both. We also identify cases to pursue in the public interest.

Task:

490

(312 Credit & Debt, 178 Insurance)

Legal casework opened:

198

(140 Credit & Debt, 58 Insurance)

Legal casework closed:

152

(102 Credit & Debt, 50 Insurance)

FC casework opened:

75

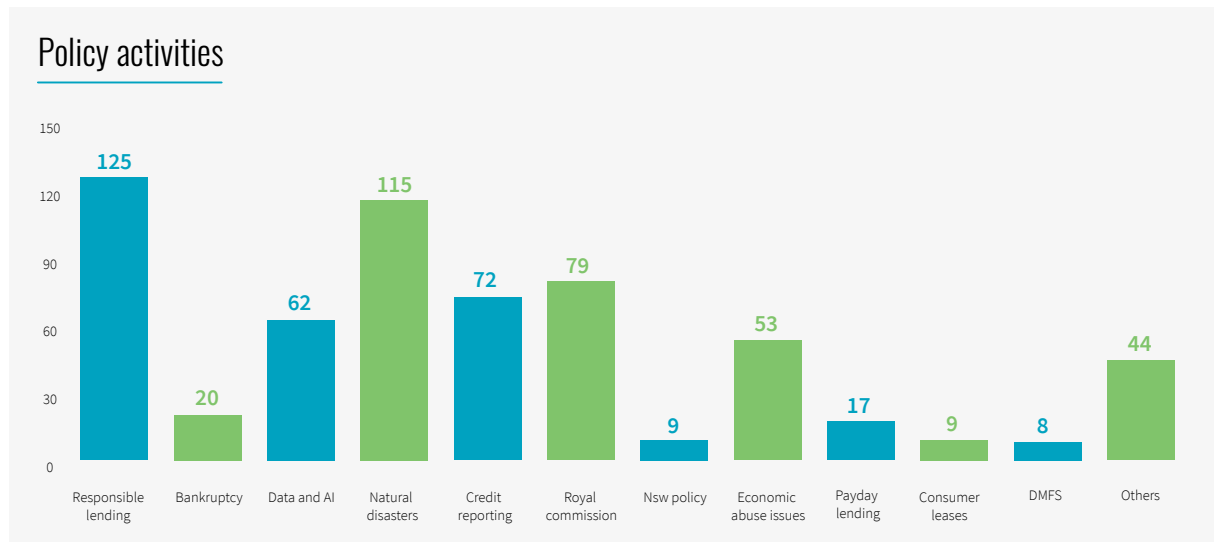
FC casework closed:

83

Policy

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.



Our solicitors and financial counsellors made 142 complaints to regulators or code compliance committees.

Media & communications

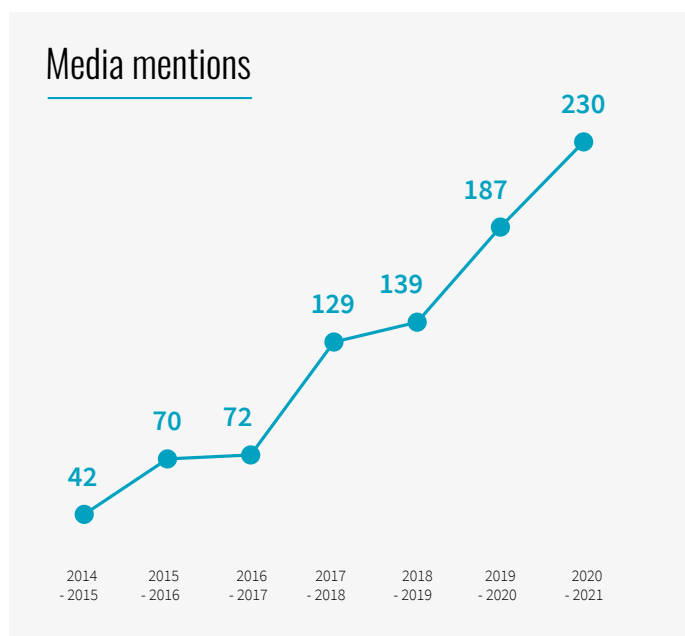
Media releases:

30

Media Mentions:

230

Media mentions for Financial Rights have increased substantially in the past 7 years.



Websites

Financial Rights has 3 websites, containing over 100 legal information fact sheets, sample letters and checklists:

financialrights.org.au

insurancelaw.org.au

mva.financialrights.org.au

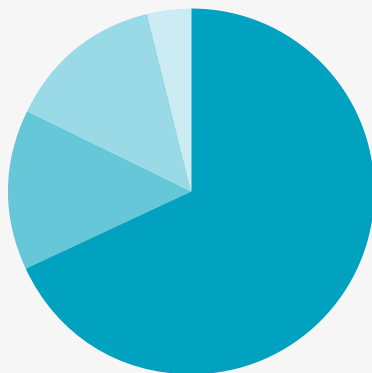
Total unique visitors to all three websites:

289,326

Community legal education

This financial year we completed 46 external CLE presentations including 1 recorded CLE video and 9 presentations by **Mob Strong** to network meetings. Total 50+ hours

CLE audience breakdown



- Financial counsellors **1042**
- Other caseworkers **227**
- Solicitors **215**
- General public **56**

Grand total
1540
attendees



Media topics



Credit & debt

15

Insurance

18

Covid hardships

20

Economic abuse

3

BNPL

35

Responsible Lending

93

Natural Disasters

28

Data & AI

14

Top 5 financial product types people sought credit and debt advice about

19% 

Home loan/mortgage

16% 


Credit card facility

13% 

Personal loan

7% 

Motor vehicle loan

6% 

Non-financial product or service

Top 5 financial product types people sought insurance advice about

36% 

Motor vehicle insurance (comprehensive)

28% 

Home building insurance

5% 

Super/Life/Total and permanent disability

4% 

Home contents insurance

4% 

Income protection insurance



Outcomes



Information & advice

It is not always easy to track the outcomes of our lighter touch services like information and advice but they make up a large part of what we do.

These services play a very important role in amplifying the impact of our casework by sharing the expertise we have gained with a larger number of Australians, who can use that information to solve their own problems.



Advice survey responses

95%

found our advice 'helpful' or 'very helpful'

58%

said they have taken already action based on our advice, and another 38% say they haven't taken action yet but intend to

98%

said our advice is practical and they think they will be able to act on it.

“

“The service you provide is outstanding and without it I don't think I could have quashed the alleged debt. I was fully informed and supported every call. Jen was amazing to help me understand and be wary of correct wording to protect me from any further liability. Absolutely over the moon. I owe my life the lives of my family to Jen. Thank you all from the bottom of my heart.”

“Tawanda was able to give me information that related specifically to my insurance and my issue. The advice and discussions we've had have assisted me enormously in understanding my situation and knowing what to do next. I literally had tears in my eyes when I received a call from him today, a week after our initial chat, and he said he'd rung to see if there had been any progress/if I needed more help. I feel very supported and like someone actually cares and that I have somewhere to go for assistance. I feel like I have a greater understanding of the situation. Thank you so much. It really has made such an impact.”

”

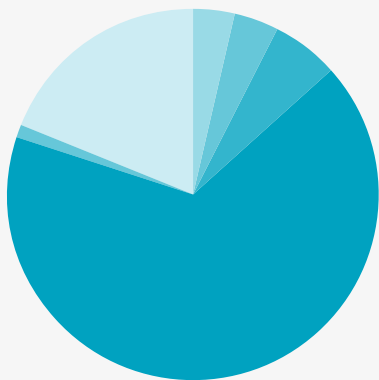
Key casework outcomes

An important part of our work is providing casework representation for vulnerable clients, or matters where we are on the record representing a client on an ongoing basis as their legal practitioner or financial counsellor.

While we only have capacity to take on a small number of callers as casework clients, what we learn from our casework we use to advise thousands more people over the hotlines and do systemic law reform work.

Total amount saved or recouped for clients

\$2,588,718



- Refunded to clients
\$94,252
- Insurance premiums refunded to clients
\$101,383
- Ex gratia payments or compensation
\$156,585
- Client debts waived
\$1,725,571
- Compensation paid to clients (National Debt Helpline)
\$22,968
- Insurance claims paid to clients (above original offer)
\$487,957

CASE STUDY

Helping a woman with a common but complex insurance problem

Gina lives in a small town. Her only income is the disability support pension.

A few years ago the foundations of her home flooded when a council owned storm pipe burst. Her insurer accepted the claim and promptly sent over a team of engineers to inspect the damage. The engineers recommended no remedial works take place for 12 months to allow the soil to dry.

Instead of following the engineer's advice, the insurer proceeded to carry out works rectifying the damage immediately. Twelve months later, the stumps holding up the property started to deteriorate and the house started sinking.

Our client raised a complaint in 2020 about the defective work and the insurer offered to pay our client just under \$90,000 to re-stump the property, even though its engineer said no builder could actually do this and the house needed to be demolished and rebuilt (at a cost of over \$300,000). The insurer then alleged the damage to the stumps was pre-existing and not caused by the insured event or the insurer's own rectification works done before the soil had dried.

Gina contacted Financial Rights and a review of the documents showed there was no pre-existing damage mentioned in any report and all the evidence showed it was likely that the damaged stumps were caused by the repairs commencing too soon after the flood itself.

We assisted representing Gina in AFCA and drafted submissions seeking for the house to be demolished and rebuilt. AFCA issued a determination in favour of our client awarding her the sum insured (over \$200,000) plus interest, non-financial loss (\$5,000), indirect financial loss (for additional heating she had to pay for), demolition and debris removal costs and temporary accommodation and storage costs.

The insurer paid our client nearly \$260,000.

C199423

Other Case Outcomes	
Repayment plan/variation garnishee reduced/removed:	31
Extension of time to pay (or sell home/asset):	9
Debt/contract release - compassionate:	59
Debt/contract release - dispute settlement:	44
Arrears capitalised:	3
Interest reduced/removed:	31
Credit report listing amended/removed:	27
Money refunded:	21



Retained home or other asset: 18



Court and tribunal work: 11 matters 24 appearances



“The outcome was excellent. The issue was totally resolved by Jane. The benefit is that I will not lose my home now due to the excellent work done by Financial Rights.”



CASE STUDY

Defending the bankruptcy threshold

Santos life was collapsing, he was recently divorced, lost custody of children and was facing criminal charges.

Santos was experiencing severe depression and anxiety and required treatment in an inhouse facility. Santos owned a unit jointly with a friend, and the mortgage was foreclosing and the strata rates were unpaid. The owners' corporation had obtained judgment of about \$8,000 against him in 2019.

In March 2020, he was issued with a Bankruptcy Notice in relation to this judgment. In August 2020, he was served with a creditor's petition. When he contacted us for advice in September he had not paid the judgment and the creditor's petition had been listed for hearing.

As a result of the COVID-19 relief package, from March 2020 the bankruptcy threshold had temporarily increased to \$20,000. The solicitors for the owners' corporation refused to withdraw the petition by consent. We instructed pro bono counsel to appear on Santos' behalf as the petition had clearly been filed in breach of the COVID-19 relief provisions. We were successful in arguing the petition be dismissed against both our client and the co-owner with an order for costs. This bought valuable time for both Santos and his co-owner to pay the debt. Even if they had to sell the unit, they could at least avoid bankruptcy and tens of thousands of dollars in associated costs. It also sent a message to solicitors acting for creditors that the COVID-19 relief amendments could not be ignored without consequence.

\$255574



Financial counselling in focus

Our financial counselling team not only achieves amazing results for their clients, they provide vital assistance on legal casework files working in collaboration with our legal team.

“

Peter [financial counsellor] listened and advocated for me, I could not have expected a better result. Peter also provided me with support, understanding and phone numbers for other support services to access regarding some other issues he was unable to provide support over. Thank you!

”

This year our financial counsellors got over \$1million in debts waived and compensation for their clients.

The outcomes they have achieved for their very vulnerable clients have been nothing short of life changing.



Financial Rights Financial Counsellor Peter Thompson taking client calls with Reserve Bank of Australia Governor Philip Lowe who visited the centre on May 5.

CASE STUDY

Mishca's new start in life

An Aboriginal woman Mishca is a single parent with four children under the age of 14 whose only income is Centrelink payments.

A survivor of domestic violence, Mishca took brave steps to flee with her children from a prolonged abusive relationship few years ago.

Seeking to create a new better life for herself and her children, having suffered the trauma of physical, verbal and financial abuse, Mishca obtained an apprehended violence order against her former husband.

But she hadn't worked since her first child was born. Her ex-husband controlled all the family's income and put bills in her name. He also coerced her into getting loans. Mishca was worried how her credit report would impact her ability to rent a safe new home and organise utilities and other household necessities.


A Financial Rights financial counsellor stepped in to assist Mishca to obtain her credit reports. It was discovered that a debt collector had been pursuing her on a consumer lease, an overdrawn bank account and an outstanding energy bill. All the debts were already or nearing the six year limitation period. The debt collector agreed to stop taking any further action.

With the financial counsellor's help three telecommunication and energy debts sought by two other debt collectors were also waived and the default listings removed.


Mishca is now continuing her journey of recovery and re-establishing a financially independent life free from abuse.

C212055


Top 5 Financial product types in financial counselling casework

34% 
Credit card facility

18% 
Personal loan

12% 
Energy

9% 
Telecommunications

6% 
Motor vehicle loan

Growing Mob Strong

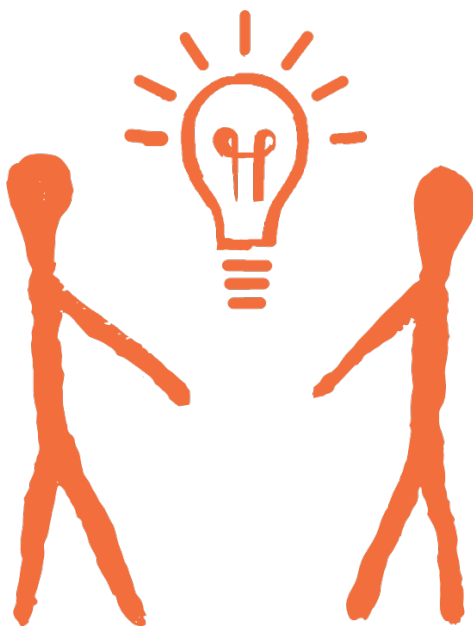
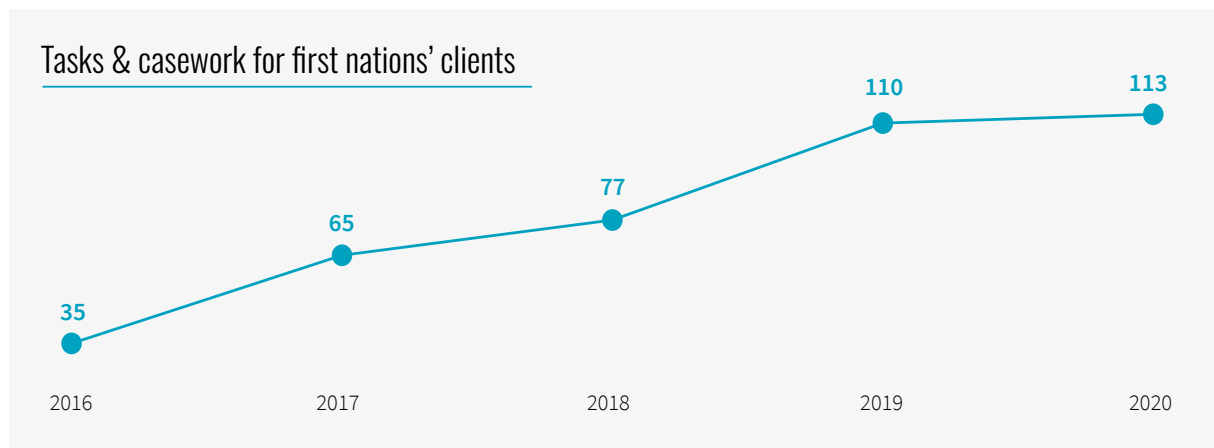


It takes time and patience to build a trusted and reliable Aboriginal and Torres Strait Islander service.

Over the past five years, as more community workers and clients engage with Mob Strong, more people are referred to or wish to seek our support and trusted advice.

Since inception in 2016 tasks and casework at Financial Rights for First Nations' clients has grown by over 300%. Prior to establishing Mob Strong, Financial Rights had an average of 1% of advice callers self-identifying as Aboriginal or Torres Strait Islander and roughly 10% of casework clients. The percentage of Aboriginal and Torres Strait Islanders has now grown to over 5% of advice callers and over 28% of casework clients (significantly higher in some periods).

Our Mob Strong Debt Help service was created to provide better access to Aboriginal and Torres Strait Islanders in financial stress and we believe we are achieving that goal. Callers to the service are located all over Australia, including some very regional and remote locations.





CASE STUDY

Monaro's story

Monaro is an Aboriginal client in his late 60s, and a war veteran. Back in 2015, he took out a car loan for \$14,000, because living in regional Australia, he needed a car to get to and from work. The loan was wholly unsuitable and unaffordable from the start, and Monaro fell into arrears immediately.

18 months later, his marriage having just fallen apart, he suffered a stroke, became unemployed and he voluntarily surrendered the car. The loan balance had never, up to that point, ever reduced below the initial borrowed amount despite the car sale proceeds.

The lender was informed by both Monaro's daughter and by Monaro himself that he was unemployed, had suffered a stroke and was struggling on all fronts (not just financially), the loan was then assigned to the lender's debt assignment subsidiary. Post-assignment, the lender maintained the loan at the same contractual interest rate at which it had been taken out (29.99%).

Monaro did eventually gain employment, driving long haul trucks on a casual basis for a something close to the minimum wage, out of a sense of moral obligation to pay what he could Monaro had spent years struggling to keep up with the crippling payments on the loan. In May 2020, the lender finally reduced the loan interest to 0%, and by December 2020, as Monaro continued to make payments, the loan balance finally, and for the first time since more than five years since the loan was taken out, reduced beneath the initial loan balance. In early 2021 Monaro collapsed on the road and was forced by doctors to give up all driving and all work. When Monaro contacted Financial Rights the outstanding debt was precisely \$35 lower than when he took out the loan in 2015.

When our financial counsellor requested documents from the lender, the suitability assessment they provided was dated 2021. Apart from the bank statements and payslips provided by Monaro at the time the loan was made, there was not a single piece of contemporaneous documentation to indicate that the lender had really assessed Monaro's dire financial situation at the time the loan was taken out. The bank statements alone made it clear he was marching backwards each month, and the living expenses claimed were over 30% below Henderson Poverty Line figures. After raising our complaints the lender agreed to waive the debt and refund Monaro all interest and fees – a considerable amount by then - and pay him compensation for his non-financial loss.

C212916



Community legal education

This year for the first time we have been able to employ a full time CLE Coordinator, Annabel McConnachie.



Even though Annabel only joined Financial Rights in December, under her coordination we delivered 53% more community legal education sessions in 2020-21 reaching 29% more financial counsellors, government and community solicitors, and caseworkers than in the full financial year 2019-20. We completed a total of 46 external CLE as well as 16 internal CLE to our own legal team.

Our CLE programme is designed to give professionals the necessary knowledge and tools to help current and future clients as well as make appropriate and timely referrals to Financial Rights. Nearly 60% of attendees who filled out a feedback survey said after the training they felt confident to answer queries or assist a client, and nearly 30% said they felt confident to recognise the problem and refer a client to Financial Rights.

This year technology has been an enabler – allowing us to proceed with sessions that would normally have been done in person across regional and rural NSW. Our switch to online conferencing has also enabled us to reach out further to interstate colleagues including in Queensland, Western Australia, South Australia and Northern Territory.

Policy and law reform

Financial Rights achieved some great outcomes in our policy priority areas this year.

The subject areas of Responsible Lending, Natural Disasters, Economic Abuse and Data & AI are discussed later in this report. In addition we achieved a few other policy wins this year:



Bankruptcy

The Government permanently doubled the forced bankruptcy threshold to \$10,000 in December 2020. While not the level recommended in our 2019 report *Who is making Australians bankrupt?* the increase will have significant positive impact on the most financial vulnerable Australians.



Credit reporting:

This year the Government passed a major credit reporting law. Financial Rights worked hard to ensure that a number of important amendments were made to lessen the consumer harms we expect will arise from consumers having their private financial hardship information exposed on credit reports for the first time.



Implementation of the royal commission recommendations:

Insured Australians were the big winners this year when the Parliament passed over 14 pieces of legislation covering 21 of the Financial Services Royal Commission recommendations. The culmination of years of advocacy work from Financial Rights and others in the consumer movement.



Responsible lending

Save safe lending – a campaign

Protecting Australia’s responsible lending laws has been a key priority for Financial Rights this year.

Financial Rights along with our colleagues at Choice, Consumer Action Law Centre and Financial Counselling Australia have led the charge to protect Australia’s responsible lending laws.



How plans to repeal responsible lending unfolded

In 2018, the Banking Royal Commission reinforced the need to maintain these critical laws as a bulwark against the greed-driven, unchecked and sometimes fraudulent lending practices exposed in some of Australia’s biggest credit providers. In 2020 the Australian Securities and Investment Commission’s (ASIC) lost its responsible lending appeal against Westpac in the much reported “wagyu and shiraz” case in the Federal Court, seemingly putting to bed concerns that the laws were too restrictive, and indeed pointing to the possibility that they were not restrictive enough to achieve their purpose.

It was a surprise then, when in late 2020 the Australian Government announced its plans to repeal responsible lending laws, citing concerns that the laws were needlessly constraining lending, adding to economic concerns arising from the pandemic.

Why we had to take action

Financial Rights could not support a roll back of these important laws. Not only are they one of the most important tools in our current armoury in representing consumers, but we remember the days before these laws were introduced. Low-doc homes loans that lured people into an illusion of possible home ownership, and left them out of pocket and bitterly disappointed. Predatory refinances, which stripped people of not only home ownership, but all the equity they had accumulated, sometimes over decades. Credit card debts that would make your eyes water held by people on Centrelink.

Responsible lending laws are at the heart of much of credit and debt advice and casework that Financial Rights does. Our casework demonstrates the real harm predatory and unchecked lending and crippling debt causes.

Galvanising a response

Financial Rights’ policy team has worked hard this year to increase awareness about how a repeal of responsible lending will harm ordinary Australians. Our campaign has been supported by hundreds of financial counsellors, consumer groups and community organisations that support vulnerable people across the country including domestic violence services.

Financial Rights’ concerns have also been echoed by senior economists, consumer law academics, and charities nationwide. The issue attracted significant media and community engagement throughout 2020-21 with Financial Rights appearing in over 100 publications and broadcast reports about responsible lending.

Winning for our community

The Save Safe Lending campaign has succeeded at greatly delaying the Government's plans to implement these repeals. While at July 2021 the final outcome for responsible lending remains uncertain, the protection of these vital laws has gained strong support from a cross-section of politicians and the broader community.

Financial rights in the media on responsible lending

70



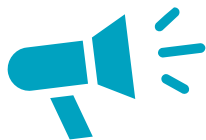
Print articles

20



Radio interviews

7



Media releases

3



TV appearances

CASE STUDY

Jack & Rhonda's story

Jack and Rhonda were granted two home loans by the same bank to purchase a home and land package. Together the loans totalled just over \$500,000. When they were rejected by one bank, their mortgage broker advised them to redraw funds on their car loan to indicate they had savings. They could not afford this loan. When they struggled to make payments the bank agreed to an extension of their loan, including consolidation of non-mortgage debt they had accumulated in the meantime. Their inability to afford the first loan had led to a reliance on credit to fund the shortfall in their budget. Their total indebtedness was now over \$640,000.

Later that year the couple applied for a repayment pause with their mortgage lender due to the impending arrival of their first child (a feature which had been a key attraction to them in taking on the loan and was something the mortgage broker had suggested). This was refused on a number of grounds, including that they could not demonstrate that they had savings to cover 6 months of the intended 12-month maternity leave period— a condition of the feature that was never explained to them. Following this Jack received an unsolicited offer to apply for a large personal loan from an entity related to the bank. Desperate, Jack applied and the loan was (surprisingly) granted.

Jack and Rhonda had never missed a mortgage payment, but their marriage became strained, they had to do without many essentials including food from time to time, and they were highly reliant on other family members to survive. They sought help when they thought there was no option but to sell their home.

Financial Rights raised complaints with the mortgage lender, the personal loan lender and the broker alleging failures of their responsible lending obligations. The matter was settled on the basis that interest and fees were refunded for all the credit extended after the original home loan. The broker also contributed a small amount of compensation without any admissions. Most of these amounts were credited to the home loan, reducing the balance. They also saw a financial counsellor. Jack and Rhonda are now able to meet their repayments and their living expenses going forward and have not had to sell their home.

[C181494](#)

Funeral insurance



Financial Rights has been warning consumers about the poor value and often unsuitability of funeral insurance products for years. We have run countless cases through the Financial Ombudsman Service and now Australian Financial Complaints Authority to help consumers get their payments reduced or their premiums refunded when this poor value product does not meet their needs.

This year we have provided over 120 services to clients relating to funeral insurance. Mark and Jen ran the majority of our funeral insurance cases this year.

First Nations consumers face greater risks and hardships

Financial Rights' Mob Strong Debt Help service has been championing the rights of First Nations consumers caught up in harmful funeral insurance products.

The cultural importance of Sorry Business and the high cost of funerals has led many disadvantaged and vulnerable people, already struggling with finances, to sign up poor value products that were promoted as culturally safe.

Funeral insurance has a particularly negative effect on young people and families. Inability to afford rising premiums and high cancellation rates have left many people with nothing after years of payments.

This year 63% of our 75 funeral insurance clients were Aboriginal.

Our Aboriginal clients have come from all over Australia, including many very regional and remote communities.

Mob Strong justice for Aboriginal and Torres Strait Islanders

This has been a landmark year with positive outcomes in key cases taken to AFCA against funeral insurance provider ACBF/ Youpla. Mob Strong has assisted numerous First Nations clients who felt they were misled when they signed up to funeral funds offered by ACBF, believing it to be an Aboriginal owned and controlled, community organisation serving the Aboriginal and Torres Strait Islander community.

Most of our clients had limited literacy skills and financial awareness and little understanding about the products ACBF was selling. Most clients thought they were entering into a savings fund when they were actually entering into an insurance policy. Some clients were signed up in their late 20's or early 30's and were paying for their children's policies using Centrelink benefits.

AFCA agreed with Financial Rights and Mob Strong that our clients were misled by ACBF and ordered the insurer to refund all premiums the clients paid, plus interest.

Funeral insurance clients



- Aboriginal 47
- Non-Aboriginal 28





AFCA's findings

"The panel accepts that the complainant would not have entered into the plan on her behalf or on behalf of her children if informed ACBF was a private, non-Aboriginal organisation and the premiums would likely exceed the benefits paid." Quote from AFCA determination 637663



Spreading the word

We wanted to raise awareness about funeral insurance with financial counsellors and community workers around the country, as well as update them on the recent AFCA determinations. We created a small resource package with a link to a recorded 20 minute presentation and fact sheet detailing funeral insurances history, policies, and the recent determinations. We sent out several special edition E-flyers to let the fellow advocates know about these resources and we sent out a practical checklist to assist community workers.

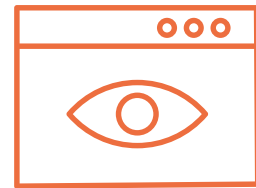
114

Attendees who saw our funeral insurance trainings live



37

People who viewed our pre-recorded training:



Supporting caseworkers around the country

Jamie Le Roux, a financial counsellor in Western Australia is among many around the country who have turned to Mob Strong and Financial Rights' for training and support in representing Aboriginal and Torres Strait Islander people with ACBF matters.

ACBF funeral policies were a new issue for Gosnells Community Legal Centre and Le Roux identified the issue and, with some help from Financial Rights is now representing an Aboriginal woman in his community in her application for a refund of her premiums.

Jamie says: "Financial Rights Legal Centre is a valuable resource for community workers around Australia, allowing workers to access accurate and important information to help deal with clients' financially related legal issues."

Mob Strong also produced a one-minute video with Mark and Amanda giving some clear and straightforward advice about funeral insurance in Aboriginal communities which was distributed through social media.



Future of insurance



Making the insurance system fairer and more just

The insurance sector is experiencing a significant period of change with a raft of pro-consumer legislative reforms recommended by the Financial Services Royal Commission, many long advocated for by Financial Rights.

The work of Financial Rights and other aligned advocacy bodies has led to:

- The application of the unfair contract terms regime to insurance
- The regulation of claims handling practices
- The design and distribution obligations
- And new processes for the sale of add-on insurance

Leading the way in data consumer right protections

Transformation is also being driven by the application of new data technologies and the introduction of new consumer rights and regulations such as the Consumer Data Right and the Australian Government's Artificial Intelligence Ethics Framework. Financial Rights played a central role in supporting pro-consumer outcomes and protections for these critical provisions.

Insurance has always been a data intensive industry. Actuaries have collected and analysed data and calculated risk since the establishment of insurance as a concept. However, the sheer volume of data, the increased accessibility to this data, the speed in which it can be obtained and the immense computing power and analytical techniques that can now be applied is transforming the insurance environment.

Some changes are likely to improve consumers' lives. Increased access to and use of one's own data could improve the disclosure process for buying and renewing our insurance. Data can also be used to assist risk mitigation and potentially produce improved personal and social outcomes in the face of increasing natural hazards borne of climate change.

On the other hand, if misused, big data could lead to new pricing practices, and large numbers of disadvantaged people may find themselves priced out of the market.

Advocating for consumer rights at the centre of change

With the support of ECSTRA, Financial Rights is taking a lead to investigate these changes to ensure consumer interests are at the centre of change.

Financial Rights's report "Open Insurance: The Consumer Data Right" is the first in an important new research series into the "Future of Insurance".

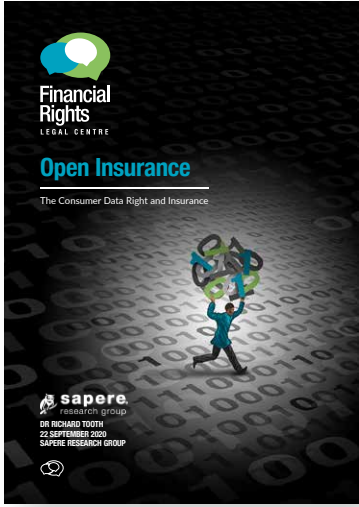
Upcoming projects will delve into the current and future privacy practices of general insurers, standardising general insurance definitions and the potential to automate some forms of disclosure.

Open Insurance: The Consumer Data Right and Insurance

The first of our Future of Insurance research series Open Insurance: The Consumer Data Right and Insurance by Dr Richard Tooth of Sapere was released in November 2020.

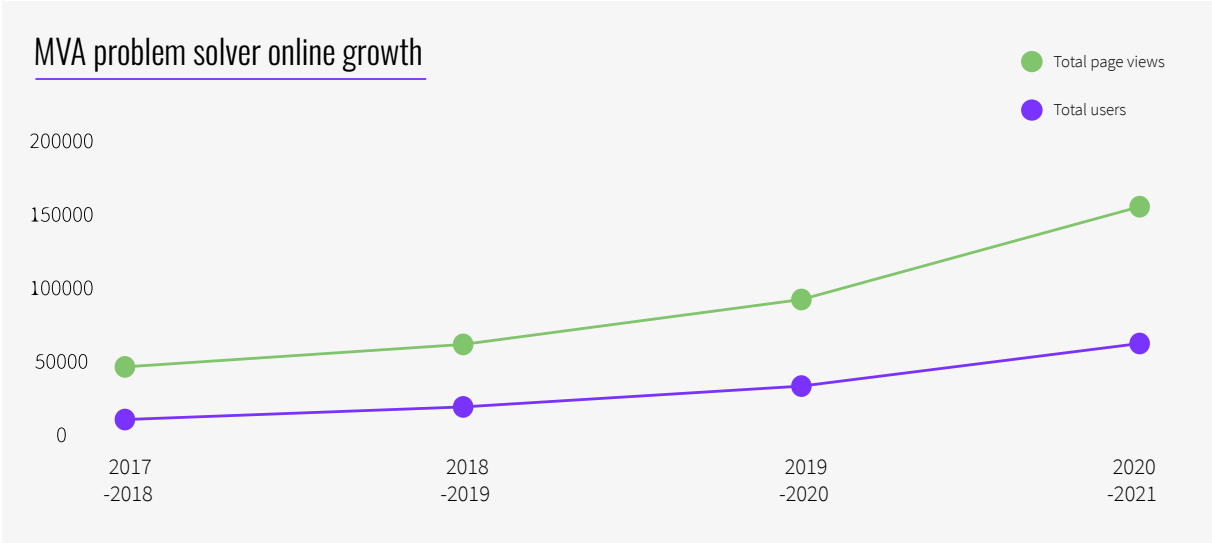
Open Insurance is the application of Consumer Data Right (CDR) to the insurance sector. The Report found that insurers hold large amounts of data on consumers including customer relationship data, risk assessment data (including increasing interest in use of telematics data for risk assessment), pricing data; and claims data. The report identified potential uses of this but also a number of risks and unintended consequences.

Potential barriers to Open Insurance resulting in real improvements for consumers were also highlighted: for example, the lack of standardised contract terms and definitions in insurance, and the possible omission of access to government owned data-sets.



Working with consumers to solving motor vehicle problems

Financial Rights' Motor Vehicle Accidents portal has thrived with more and more people flocking to the site for information and guidance about how to resolve common insurance problems.



The Motor Vehicle Accident problem solver website has grown significantly since it was established four years ago.

The portal has been expanded this year to include new legal information for NSW drivers in collaboration with Legal Aid NSW. The portal continues to have factsheets, sample letters and an intuitive problem solver tool that guides clients through the steps they can take in particular scenarios.

By far the most accessed information on the MVA website relates to drivers who have been in an accident and are uninsured. Other high-traffic information includes how excess is calculated, what to do if they are at fault or not, and what happens when a car is written off.

Economic abuse

Helping clients recover from economic abuse

Helping victims of economic abuse has always been an important part of Financial Rights' credit and debt advice and casework.

But this financial year our work in this area became a major priority.

Our solicitors and financial counsellors directly helped 125 women recover from abusive financial products. Mob Strong along with our Communications Officer and Community Legal Education Coordinator also undertook a campaign to promote the availability of our service for victims of domestic and family violence and economic abuse in Queensland thanks to COVID-19 frontline legal assistance funding from the Australian Government and Queensland Department of Justice and Attorney-General.

Caseworks, financial counselling and legal advice:

We have done over 125 legal and financial counselling services for women struggling with domestic violence, and we were able to provide services to an additional 170 women who indicated DV was a part of their lives but that was not the main reason they needed help.



Casework	49
Legal advice	115
Task	30
Financial counselling advice	145

CASE STUDY

A survivor of financial abuse, Lily was on the verge of homelessness

Lily, a single mother of two, is a survivor of family violence. Her former partner Michael controlled all the household finances and the family home insurance was in his name. Lily remained in the family home with the children when the couple separated.

Shortly after, a fire rendered the house unliveable. Michael claimed on the home insurance policy but he refused to make a claim for a temporary accommodation for Lily and the children. Lily contacted the insurer to plead for assistance but was told that temporary accommodation would not be provided because the policy was not in her name. When Lily sought Financial Rights' assistance, she was staying in crisis accommodation with her children and was on the verge of homelessness.

Financial Rights acted immediately. We made an urgent claim with the insurer and an urgent dispute at AFCA that as a third party beneficiary under the policy, a tenant and an equitable owner in the marital home and a victim of financial abuse, Lily was entitled to temporary accommodation.

Our actions led to Lily being provided appropriate accommodation under the policy until the house had been repaired.

C212071



“

My client was stunned when I told her we had resolved all of her debts. She assumed she would eventually have to apply for bankruptcy and worried that her small amount of savings would prevent the bank from releasing her from her debts. When I sent her closing letter, she emailed to let me know she is out of the relationship and feels she has a chance for a new life.”

Miriam, financial counsellor at Financial Rights, June 2021

”

CASE STUDY

Elder financial abuse

Sammi needed assistance with her reverse mortgage. Sammi is in her seventies and suffers from a complex psychological condition, compounded by a physical disability. English is not her first language, and she required the support of a face to face support worker and an interpreter.

Sammi instructed us she was being financially abused by her son, who amongst other things, arranged a reverse mortgage and took the funds for himself.

We raised a complaint that the bank failed to identify the red flags of abuse. We noted that one of the branches had refused to provide a reverse mortgage due to concerns about the son, but had failed to record their concerns, leading to the loan being provided by another branch. The bank did not inquire as to whether the independent legal or financial advice had been provided to Sammi with an interpreter – it had not.

Whilst the bank did not admit to any wrong doing, it did waive the reverse mortgage debt and take itself off the title for Sammi’s home.

[S245631](#)



Translating help for individuals into systemic action

While our financial counselling and legal services responded to an increase in calls from people seeking assistance because of the unique pressures of COVID-19, our policy team took a leadership role in the national discussion around a response to economic abuse.

At the beginning of the year Financial Rights became a founding member of the Economic Abuse Reference Group (EARG) NSW, a group of organisations influencing government and industry responses to the financial impact of domestic and family violence.

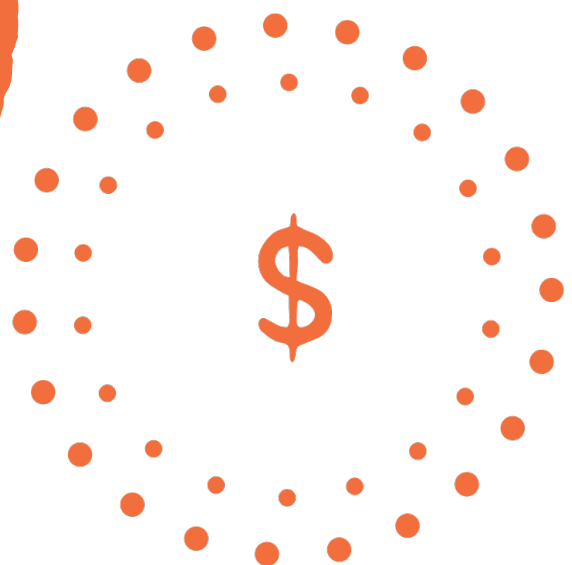
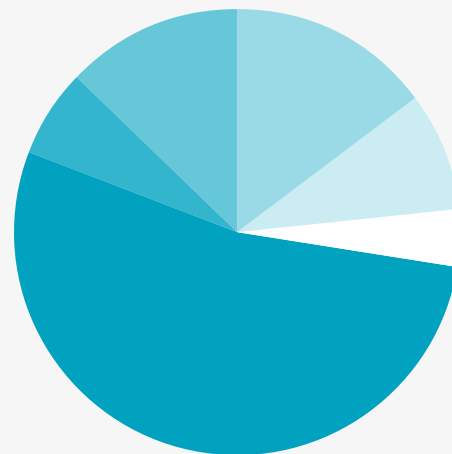
Financial Rights has also driven awareness and recommendations in response to the implications of repealing responsible lending for victims and survivors of domestic and family abuse. We put out several national media releases and became a voice for women who were being forgotten as the Australian Government made sweeping economic changes during the pandemic.

This year **Mob Strong** has been building a focus on the financial abuse of Elders in First Nations' communities. While Mob Strong has seen instances of elder abuse in different forms, the misuse of Elders' Centrelink benefits is a common problem with circumstances often driven by unemployment and poverty.

Economic abuse policy activities

- Meetings 25
- Consultations 7
- Submissions 6
- Letters 4
- Presentations 3
- Media releases 2

Grand total
50
activities



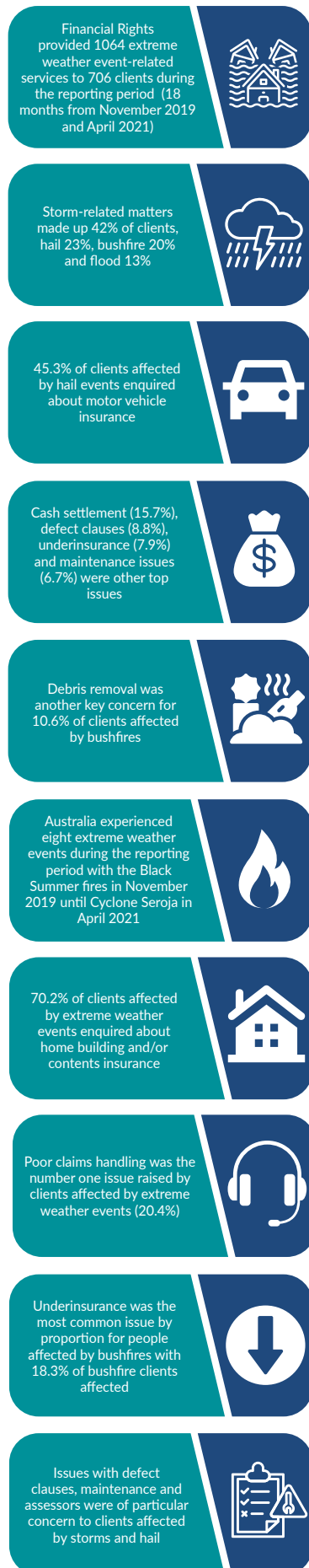
Natural disasters

Supporting people through extreme weather catastrophes

Providing advice and assistance to people impacted by extreme weather events has always been an important component of our work but the period from late 2019 through to June 2021 has really put Australia's resilience to the test.

This was an extraordinary period of multiple extreme weather events across Australia from the "Black Summer bushfires" across NSW, Queensland, South Australia and Victoria in 2019-20 to Cyclone Seroja in Western Australia in 2021 and multiple events in between.

In June 2021, Financial Rights released a report of our experience assisting clients to negotiate claiming on their insurance in the wake of these events. Exposed: Insurance problems after extreme weather events recounts how the impact of a poor claims handling experience can compound trauma and provides a roadmap for improved regulation and industry practice.

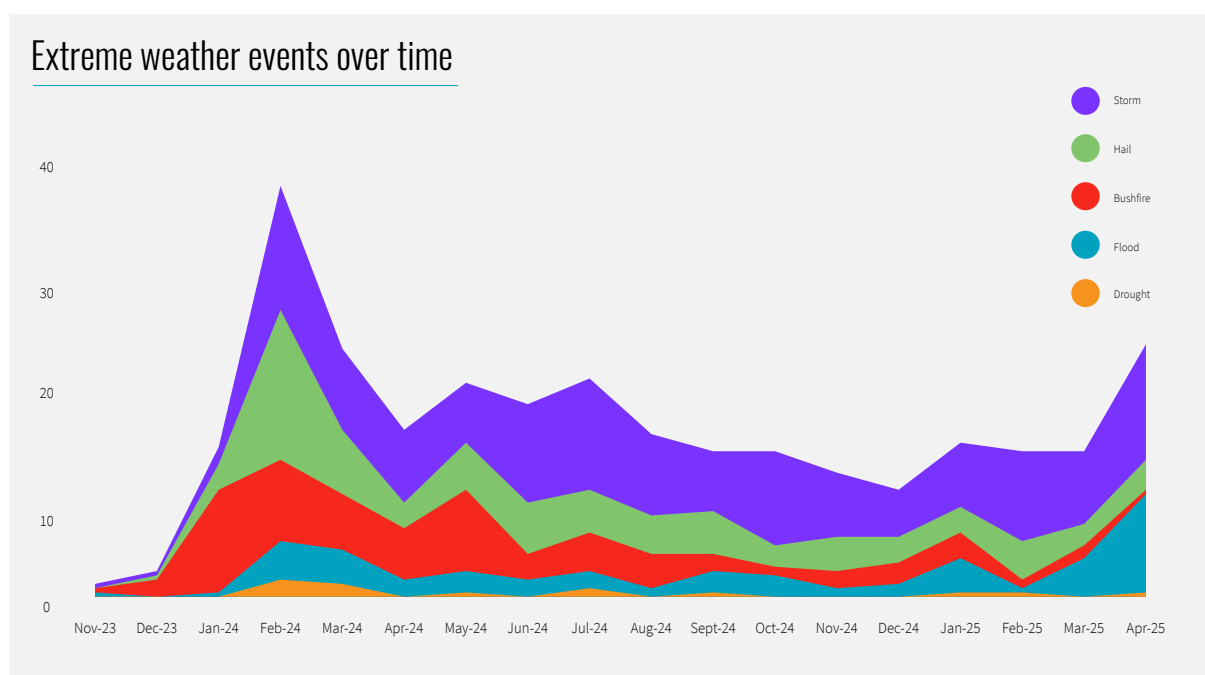


The threat of a changing climate

The pattern of extreme weather events experienced in 2019-2021 is entirely consistent with the forecasts of climate science and we can only expect these events to continue, and likely intensify.

Extreme weather events between November 2019 and April 2021 generated a significant amount of work for Financial Rights' services and these events often have a very long tail of disputes. During this period Financial Rights was given some extra one-off funding for bushfire legal assistance, but the vast majority of our work related to storm, hail and flood events.

Use a graph like this that shows our work for different types of extreme weather events over time. Try to use colours that match the events, (ie red for bushfire, blue for flood)



Helping lawmakers and industry with the way forward

Financial Rights made submissions, provided case studies and gave evidence to several inquiries on issues of insurance affordability, poor claims handling and systemic problems in consumer insurance.

Our work was referenced in four major government and regulator reports concerning natural disasters this financial year including the NSW Government Bushfire Inquiry Report, the Senate Standing Committee on Finance and Public Administration's report on lessons to be learned in relation to the Australian bushfire season 2019-20, the Australian Competition and Consumer Commission's final report on the Northern Australia insurance inquiry and the Royal Commission into National Natural Disaster Arrangements.

Many of the recommendations made in these reports were in line with our calls for action.

Pioneering legal change for consumers in need

COVID-19 sent the travel industry into turmoil and distressed travel consumers flocking to Financial Rights' to help to resolve disputes with insurers and fight back against rejected claims for cancelled travel plans.

The unprecedented circumstances of COVID-19 led to many insurers unfairly or inappropriately relying on exclusion clauses to deny valid claims.

Senior Solicitor Amy Knox led a successful case in the AFCA to have COVID-19 recognised as a natural disaster for insurance purposes in Australia.

While some insurers provided narrow definitions of natural disaster including events such as earthquakes, tsunamis, volcanic eruptions, floods and bushfires others left it undefined and did not specifically exclude a "pandemic" or "epidemic".



CASE STUDY

Helping Sameer afford his trip home

Sameer was half way through an overseas holiday in March 2020 when the World Health Organisation declared COVID-19 a pandemic and the Australian Government announced border closures were imminent shortly afterwards.

Sameer had booked his trip with travel insurance online in late 2019. Despite difficulties in communicating from overseas where telephone and internet access was limited), Sameer managed to rearrange flights to come home as soon as possible, at significant additional cost.

These costs could not be recovered from the airlines, so Sameer made a claim under his insurance for additional expenses incurred due to transport restrictions caused by a natural disaster.

The insurer rejected the claim, relying on different exclusions and conditions at different points of the process. This was very confusing, for Sameer whose first language was not English. Financial Rights stepped in to assist with internal dispute resolution processes and then lodged a complaint to Australian Financial Complaints Authority.

The insurer denied the claim on the basis COVID-19 was not a natural disaster. Financial Rights submitted that, on the contrary, COVID-19 was a natural disaster and that if the term was otherwise undefined in the travel insurance policy, the claim should be paid. At the same time Financial Rights was writing submissions on this same issue for another unrepresented complainant at AFCA, who later informed us he had won his case and received payment.

Sameer's insurer then agreed to pay the full amount of the claim. Financial Rights also provided the crux of these submissions to many other unrepresented complainants who called for advice with the same problem.

[S250303](#)

Operational achievements

Funding uncertainties impact our staff and services

Our staff are specialists who are uniquely focused on consumer rights and responsibilities. Our ability to engage and retain our expert workforce is critical to the organisation's capacity to continue helping people in the community in need.

Earlier in the year we were able to increase our capacity and capability using one-off funding grants to swell our workforce by 20 per cent. Our frontline staff numbers rose with an additional seven contractor roles, including financial counsellors and solicitors.

At its peak our workforce grew to 41 staff members in January. However, our staff numbers reduced to 34 staff at the end of the financial year. Some employment contracts could not be replaced or renewed because of a lack of recurrent funding.

Financial Rights risks losing almost 50% of its staff by the end of the 2021-22 financial year without critical access to funding. This will have a huge impact on people in need in our community.

More staff means more help for vulnerable people in need

The growth in staff numbers earlier in the year came just as we experienced a surge in people contacting us from around the country requiring assistance in response to extreme weather events such as bushfires, floods, storms and hail.

While calls to the National Debt Helpline dropped compared to previous years, the need for assistance with complex credit and debt cases, including people impacted by family violence, kept our team very busy.

Increasing the proportion of Aboriginal and Torres Strait Islander staff

We successfully recruited an Aboriginal identified financial counsellor who will be starting with us on a full time permanent basis on 1 July 2021.

This takes the proportion of Financial Rights staff who identify as Aboriginal from 6% to 9%.



Technology

Technology standardisation and simplification played a key role supporting staff to work flexibly from home or in the office throughout COVID-19. Thanks to funding from Ecstra Foundation, the organisation rolled out 38 laptops to our workforce and reconfigured our Surry Hills office space to enable the laptops to be able to dock in and act as workstations in the office. The laptops have been configured to a standardised specification, simplifying our IT environment.

The rollout was a huge success and has led to an improvement in performance.



“

“I have needed to login at short notice from home and make a call to a vulnerable client for urgent instructions related to her court proceedings on several occasions. Thanks to the new laptop, headset and software and all the work IT has done setting me up to work remotely it was a seamless process. I was simply able to focus on helping the client.”

”



Our staff



Anne Bissaker

Finance Officer

Almond Cafarella

ICT Lead

Amanda Cameron

Aboriginal Service Coordinator

Rebecca Campbell

Solicitor

Ara Cho

Solicitor

Karen Cox

CEO

Julia Davis

Senior Policy & Communications Officer

Naomi Delaney

Solicitor

Marie Druon

Financial Counsellor

Michael Feeney

Chief Operations Officer

Jane Foley

Senior Solicitor

Jerome Forgas

Financial Counsellor

Gerda Freimane

Administration Assistant

Mark Holden

Solicitor

Louise Jansson

Senior Solicitor

Miriam Jay

Financial Counsellor

Lynda Johns

Financial Counsellor

Alexandra Kelly

Director of Casework

Joo Ik Kim

Solicitor

Amy Knox

Senior Solicitor

Jennifer Lewis

Senior Solicitor

Alice Lin

Director of Advice

Drew MacRae

Senior Policy & Advocacy Officer

Annabel McConnachie

CLE Coordinator

Tawanda Mukamuri

Solicitor

Peter Nicholson

Financial Counsellor

Samantha O'Donnell

Solicitor

Fatimah Omari

Solicitor

Marianna Papadakis

Communications Officer

Helen Rees

Financial Counsellor

Greg Russell

Financial Counsellor

David Ryan

Finance Officer

Peter Schulz

Financial Counsellor

Claire Shidiak Khoury

Senior Solicitor

Lara Song

Senior Solicitor

Lody Stewart

Financial Counsellor

Nicola Sutton

Office Manager

Peter Thompson

Financial Counsellor

Andrea Van Der Kuijlen

Solicitor

Jane Wilburn

Senior Solicitor

Rebekah Wong

Solicitor

Marianna Zaunders

Solicitor

Maria Zografos

Chief Operations Officer

Acknowledgments and company details

Board

Erin Turner, President
Margaret Raffan (President until August 2020)
Dave McMillan, Vice President
Chris McKendrick, Treasurer
Paul Baker, Secretary
Natalie Pozdeev, Ordinary Member
Francis Vierboom, Ordinary Member

Pro bono support

John Kelly SC
Albert Dinelli
Glenn Fredericks
Adrian Maroya
Paul Batley
Jim Johnson
Sonia Tame
Ella Dalrymple
Barbara Casado and Nathan Kennedy, Hall and Wilcox
Justice Connect Pro Bono Portal

Volunteers

Isobel Leonard
Kirsty Gan

Aboriginal advisory committee

Nathan Boyle
Suwana Combo
Tracy Duncan
Robynne Quiggin
Aunty Joy Reid

Contact details:

Financial Rights Legal Centre
Level 1, 80 Cooper St. Surry Hills NSW
PO Box 538 Surry Hills NSW

Administration: (02) 9212 4216 Fax: (02) 9212 4711
ABN: 40 506 635 273
Office Hours: 9:30am – 5:00pm weekdays
Email: info@financialrights.org.au

Services:

National Debt Helpline:
1800 007 007

Credit & Debt Legal Advice Line (NSW):
1800 844 949

Insurance Law Service
1300 663 464

Mob Strong Debt Help
1800 808 488

Advice Hours:
(EST) 9:30am – 4:30pm weekdays

Websites:
financialrights.org.au
insurancelaw.org.au
mva.financialrights.org.au

Funding acknowledgements

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) and the Community Legal Centres Program of the State Department of Justice and the Federal Attorney-General's Department. The QLD Department of Justice and Attorney General, and the Financial Counselling Foundation, also provided short-term funding.

We acknowledge important project funding by Ecstra Foundation, both for policy reports and for office equipment to facilitate more effective working from home arrangements.

We have also been fortunate enough to be the beneficiary of residual remediation funds passed on by industry participants. This only occurs where it is not practical to compensate affected customers directly, either because they cannot be located or because the amount per customer is negligible.

Financials

Income	Actual
Government Funding	\$2,148,819
Legal Aid NSW, Community Legal Centres Program (Commonwealth)	607,487
Legal Aid NSW, Community Legal Centres Program (State)	197,871
NSW Fair Trading, Financial Counselling Program Services	878,337
Attorney-General's Department, Community Legal Services Program(Commonwealth)	176,282
Legal Aid NSW, Bushfire Support	108,842
Qld Department of Justice & Attorney General	180,000
Sector Grants	\$479,258
Financial Counselling Australia	342,858
Financial Counselling Foundation	124,300
Ecstra	12,100
Other Income	\$694,459
Total Income	\$3,322,536

* Other Income includes Residual Remediation funds where it is impractical to return funds to injured parties

Expense	Actual
Service and Program Delivery	3,558,392
Salaries, on costs Training	3,519,859
Travel	12,148
Program and Planning	26,384
Administration and Infrastructure	\$326,667
Premises Costs	215,336
Depreciation	36,513
Finance and Accountability	10,968
Insurances	11,836
Office Overheads	52,014
Resources	\$104,158
Library and Resources	\$39,060
Communications	\$65,098
Total	\$3,989,217

The complete audited financial statements for 2020-2021 can be found on our website.



Financial Rights

LEGAL CENTRE

Financial Rights Legal Centre

Tel (02) 8204 1386

PO Box 538

Surry Hills NSW 2010

www.financialrights.org.au