

ENFORCEABLE UNDERTAKING

National Consumer Credit Protection Act 2009

Section 322(1)

The commitments in this undertaking are offered to the Australian Securities and Investments Commission (ASIC) by:

Good to Go Loans Pty Ltd
ACN 160 232 422
Australian Credit Licence 439808
Level 2, 142 Bundall Road, BUNDALL QLD 4217

(Company)

1. Definitions

In addition to terms defined elsewhere in this undertaking, the following definitions are used:

ACL means an Australian credit licence as defined under section 35 of the Credit Act;

ASIC means the Australian Securities and Investments Commission;

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth);

Code means the National Credit Code, which is Schedule 1 to the Credit Act;

Commencement Date means the date this enforceable undertaking is accepted by ASIC;

Consumer has the same meaning that term is given in section 5 of the Credit Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Corporations Regulations means the *Corporations Regulations 2001* (Cth);

Credit Act means the *National Consumer Credit Protection Act 2009* (Cth);

Credit Legislation has the same meaning that term is given in section 5 of the Credit Act;

Credit Provider has the same meaning that term is given in section 5 of the Credit Act;

Credit Report means a document which contains information about a consumer's credit history by a credit reporting agency;

Credit Reporting Body means an organisation as defined in section 6 of the *Privacy Act 1988* (Cth), that collects and sells credit information on individuals and companies;

Good to Go Loans means Good to Go Loans Pty Ltd ACN 160 232 422;

OACC2 means the loan product used by Good to Go Loans during the Relevant Period;

Permitted Establishment Fee has the same meaning as in subsection 31A(2) of the Code;

Presumption of Unsuitability means each of the assumptions contained in subsection 131(3A) of the Credit Act;

Prohibited Credit Amount has the same meaning as in section 39A of the Code;

Relevant Consumer means a consumer who entered into an OACC2 loan with Good to Go Loans during the Relevant Period;

Relevant Period means the period from 18 May 2014 to 20 May 2015;

SACC has the same meaning as Small Amount Credit Contract as given in section 5 of the Credit Act;

Undertakings means the undertakings contained in part 3 of this enforceable undertaking.

2. Background

ASIC's role

- 2.1 Under section 1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.
- 2.2 From 1 July 2010, ASIC's responsibilities were expanded to include the administration and enforcement of the Credit Act, which regulates consumer credit in Australia.
- 2.3 Good to Go Loans is a Credit Provider engaged in a business of providing SACCs to consumers across Australia. Good to Go Loans holds an ACL that authorises it to engage in those credit activities.

Details of Conduct

- 2.4 During the Relevant Period Good to Go Loans:

- 2.4.1 offered a loan product to consumers called an "OACC2" which had a maximum term of 104 weeks and a maximum loan amount of \$2,000; and
- 2.4.2 offered to vary the OACC2 either verbally, by text message or email on the same day that Good to Go Loans accepted a written "offer to borrow" from the consumer.
- 2.5 The effect of the variation was to increase the repayment amount thereby reducing the term, such that the varied arrangements could have fulfilled the definition of a SACC for the purpose of section 5 of the Credit Act had those terms been in the credit contract.
- 2.6 Good to Go Loans entered into 3,525 OACC2 loans during the Relevant Period as an alternative to SACCs.

ASIC's investigation

- 2.7 ASIC has conducted an investigation into the provision of OACC2 loans to consumers of Good to Go Loans during the Relevant Period, including the steps in contract formation and the effect this may have had on consumers who entered into OACC2 loan contracts with Good to Go Loans.
- 2.8 ASIC is satisfied that Good to Go Loans ceased using the OACC2 loan product on around 20 May 2015.

ASIC's concerns

- 2.9 ASIC is concerned that:
 - 2.9.1 the loan product called OACC2 may not have complied with the Credit Act such that Good to Go Loans may have charged above the cap on fees and charges in contravention of section 31B of the Code had the loans been SACCs;
 - 2.9.2 by virtue of agreeing to repay the OACC2 loan at higher regular repayment amounts over a shorter period, consumers may have been exposed to a greater risk of default and incursion of a "dishonour fee";
 - 2.9.3 by entering into the higher repayment amounts, Good to Go Loans may have been in breach of its responsible lending obligations under the Credit Act; and
 - 2.9.4 although Good to Go Loans ceased entering into new OACC2 loans with consumers on ASIC's request, ASIC understands that 1,071 clients remain in default, 35 of whom have entered into Part IX debt agreements.

ASIC's acknowledgment

- 2.10 ASIC acknowledges that Good to Go Loans ceased offering OACC2 loans to consumers in response to ASIC raising its concerns.

Acknowledgement of ASIC's concerns

- 2.11 Good to Go Loans acknowledges that the concerns expressed by ASIC are reasonably held and has offered an enforceable undertaking in the terms of paragraphs 3.1 to 3.9 below.

3. Undertakings

- 3.1 Under section 322(1) of the Credit Act, Good to Go Loans has offered, and ASIC has agreed to accept as an alternative to other regulatory action against Good to Go Loans, the undertakings in paragraphs 3.2 to 3.9 below.
- 3.2 Good to Go Loans will continue to cease and desist using the OACC2 loan product, howsoever named, upon acceptance of this enforceable undertaking. For the avoidance of doubt, such cessation and desistance includes marketing and sale of the OACC2 loan product.
- 3.3 Upon acceptance of this enforceable undertaking, Good to Go Loans will forgive all outstanding OACC2 loans and any debts which have arisen as a result of entering into these loans. The total number of loans being 1,071, the details of which have been identified to ASIC.
- 3.4 Within 28 days of the Commencement Date, Good to Go Loans will provide ASIC with a list of all consumers identified by the relevant Credit Reporting Body who have default listings on their Credit Report relating to Good to Go Loans as a result of entering into an OACC2 loan during the Relevant Period. Good to Go Loans will write to the relevant Credit Reporting Body in relation to these consumers and will instruct the Credit Reporting Body to note all of the default listings relating to an OACC2 loan as "settled".
- 3.5 Within 28 days of the Commencement Date, Good to Go Loans will write to the relevant debt agreement administrator instructing that no further payments will be made to Good to Go Loans from consumers who entered into OACC2 loans who then became the subject of Part IX debt agreements.
- 3.6 Within 28 days of the Commencement Date, Good to Go Loans will write, either by letter or email, to each of the consumers affected by these undertakings that their loan has been forgiven and that any default listings previously entered on the consumer's Credit Report will be noted as "settled" with the Credit Reporting Body. The content of this communication must be approved by ASIC.

- 3.7 Within 7 days of completing the undertakings referred to in subparagraphs 3.3 to 3.6, a responsible manager under the ACL held by Good to Go Loans will provide ASIC with a letter certifying that the undertakings given in subparagraphs 3.3 to 3.6 have been completed.
- 3.8 Good to Go Loans will pay the costs of its compliance with this enforceable undertaking.
- 3.9 Good to Go Loans will provide all documents and information requested by ASIC from time to time for the purpose of assessing Good to Go Loans' compliance with the terms of this enforceable undertaking.

4. Acknowledgements

- 4.1 Good to Go Loans acknowledges that ASIC:
 - 4.1.1 may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution;
 - 4.1.2 may from time to time publicly refer to this undertaking;
 - 4.1.3 will from time to time publicly report about compliance with this undertaking; and
 - 4.1.4 will make this enforceable undertaking available for public inspection.
- 4.2 Further, Good to Go Loans acknowledges that:
 - 4.2.1 ASIC's acceptance of this undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order in relation to any contravention not the subject of ASIC's concerns in this enforceable undertaking or arising from future conduct;
 - 4.2.2 this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking or arising from future conduct.
- 4.3 Good to Go Loans acknowledges that this undertaking has no operative force until accepted by ASIC, and Good to Go Loans and ASIC acknowledge that the date of the enforceable undertaking is the date on which it is accepted by ASIC.

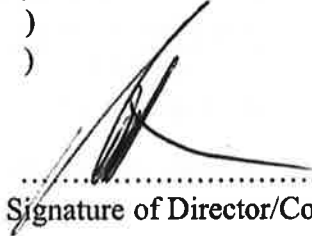
EXECUTED BY GOOD TO GO)
LOANS PTY LTD (ACN 160 232 422))
in accordance with section 127 (1) of)
the *Corporations Act 2001*:)



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Signature of Director

Linda Maria Foster

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Print name of Director



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Signature of Director/Company Secretary

Rodney Gray Johanson

.....
Print name of Director/Company Secretary

**Accepted by the Australian Securities and Investments Commission under
section 322(1) of the *National Consumer Credit Protection Act 2009* (Cth) by its
duly authorised delegate:**



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David McGuinness

Delegate of Australian Securities and Investments Commission

Date: 6 October, 2017