



ASIC
Australian Securities &
Investments Commission

CEU compliance report by ASIC

ASIC's final report dated 14 February 2019 on compliance with the s322 National Credit Act court enforceable undertaking (CEU) given by **Affordable Car Loan Pty Ltd** (ACN 098 491 484), **DTGN1 Pty Ltd** (ACN 099 333 132), **DTGQ1 Pty Ltd** (ACN 096 676 596), **DTGS1 Pty Ltd** (ACN 124 197 119) and **DTGV1 Pty Ltd** (ACN 117 890 098) (together **Motor Finance Wizard**).

Terms used in this report have the same meaning as in the CEU dated 23 May 2017.

| Undertakings | Report on compliance |
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| <p>Contribution to community benefit program</p> <p>CEU paragraph 3.1.6</p> | <p>1. On 20 April 2018, Motor Finance Wizard made a payment of \$153,761.49 to Brotherhood of St Laurence.</p> |
| <p>Independent overview of remediation program</p> <p>CEU paragraph 3.1.7*</p> | <p>2. On 22 December 2017, KPMG (the Independent Remediation Consultant) submitted the Interim Remediation Report to ASIC setting out the following information in relation to the six month period commencing on the Commencement Date (23 May 2017):</p> <ul style="list-style-type: none"> (i) 83 credit contracts and 1,175 consumer leases identified as Relevant Contracts received remediation; (ii) \$1,053,188 in refunds paid; (iii) \$9,916,147 in debt written off; (iv) 1,511 letters sent to consumers assessed as entitled to some form of remediation and 559 responses received; (v) in relation to a random sample of 35 consumers who were provided with a form of remediation on the basis that the Relevant Contract fell within the category at paragraph 3.1.1(b)(ii) of the CEU, the processes referred to in paragraphs 3.1.1 to 3.1.5 of the CEU have been complied with; and (vi) in relation to a random sample of 35 consumers who were not provided with a form of remediation on the basis that the Relevant Contract fell within the |

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| | <p>category at paragraph 3.1.1(b)(i) of the CEU, the Capacity to Repay has been determined in accordance with the remediation methodology referred to in paragraph 3.1.1(a) of the CEU.</p> <p>3. On 27 March 2018, KPMG submitted the Final Remediation Report to ASIC setting out the following information in relation to the Remediation Period:</p> <ul style="list-style-type: none"> (i) 97 credit contracts and 1,345 consumer leases identified as Relevant Contracts received remediation; (ii) \$1,307,372 in refunds paid; (iii) \$9,915,880 in debt written off; (iv) 1,511 Relevant Contracts Motor Finance Wizard attempted to communicate with and 635 responses received; (v) one credit contract and five consumer leases identified as Relevant Contracts where the consumer has elected to return the vehicle and terminate the credit contract or consumer lease; (vi) eight credit contracts and two consumer leases identified as Relevant Contracts where the consumer has elected to remain in the contract; and (vii) \$153,761 to be paid to a community benefit program. |
| <p>External compliance consultant</p> <p>CEU paragraphs 3.1.14* and 3.1.16-3.1.20</p> | <p>4. On 27 June 2017, ASIC approved the appointment of KPMG as the Consultant by approving the terms of reference in writing.</p> <p>5. On 22 December 2017, KPMG submitted to ASIC the First Compliance Report covering the six month review period from the Commencement Date. KPMG assessed the adequacy of the Motor Finance Wizard compliance framework and did not identify any significant deficiencies; however, five areas for improvement were noted, relating to: IT reliance, referrer register, compliance with obligations if insurance cancelled/rejected, audit program, and maintenance of misconduct registers.</p> |

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| | <p>6. ASIC sought additional information from KPMG and KPMG provided an updated First Compliance Report to ASIC on 22 February 2018.</p> <p>7. On 2 March 2018, Motor Finance Wizard submitted to ASIC a Certification Report certifying that it accepts and intends to address the recommendations in the updated First Compliance Report.</p> <p>8. On 17 August 2018 (as agreed with ASIC), KPMG submitted to ASIC the Second Compliance Report covering the six month review period commencing after the period of the First Compliance Report. KPMG assessed the adequacy of the Motor Finance Wizard compliance framework and did not identify any significant deficiencies; however four areas for improvement were noted, relating to: audit checklist, audit program, assessor judgements, and training manuals. KPMG reported on Motor Finance Wizard's actions in addressing the areas for improvement noted in the First Compliance Report.</p> <p>9. On 24 August 2018, Motor Finance Wizard submitted to ASIC a Certification Report certifying that it accepts and intends to address the recommendations in the Second Compliance Report. A timetable for implementation was provided to ASIC on 20 September 2018.</p> |

* Substantial, satisfactory compliance with these paragraphs of the undertakings relating to timing.