

To whom it may concern,

I am a family support worker from Somerville Community Services and work with extremely vulnerable people who are experiencing homelessness, and associated struggles that come with that, e.g. financial issues, unemployment, Domestic violence and family violence (DFV), mental health and physical danger.

I started seeing Mrs. O on the 24th of July 2019. Mrs. O has been forced into a state of homelessness due to DFV she and her children experienced in Tenant Creek. She then fled to Katherine with her children, and again found herself in a situation that was simply not safe. She then made her way to Darwin, children in tow, and the small family now live day by day, never knowing where they are going to sleep. The family couch surf and eat their meals in a park to prevent humbug. Mrs. O and her children have been living like this for the past 6 months, all whilst attempting to heal from their experiences with DFV.

However, Mrs. O has been unable to leave the effect of DFV behind in tenant creek. The oppressive situation has followed her in the form of debt. Whilst in community Mrs O heard about Cigno Loans and applied online for a \$300 loan. Mrs. O used this money to buy food. However, when setting up the loan, Mrs. O accidentally put the perpetrator of DFV first, resulting in the account being made in his name but the payments came out of her account.

When Mrs. O presented to Somerville Community Services she was of the opinion that she had already paid \$800 back from this loan over a 6 month period, I confirmed she had been making regular weekly payments of \$30 for at least 20 weeks. I sought the advice of a financial counsellor who informed me that if I called and advocate on Mrs. O's behalf, then there was a possibility of her having the rest of the payments waved due to the fact that she had already paid double the value of the loan back.

Together myself and Mrs. O called Cigno Loans (07)5644 3500. We sat on hold together for 45 minutes, but unfortunately the appointment ended before we could get through and I had another client after Mrs. O. however, Mrs. O and I were determined and booked a follow up appointment for the next morning. Again we sat on hold, this time for 35-40 minutes until we got through.

Speaking to the worker on the other end I explained Mrs. O situation and belief that due to hardship she needed to have the remainder of the loan waved as this was only fair. However, we experienced push back from the worker as Mrs. O was not the name on the account. the worker stated that the person listed on the account would need to contact Cigno for him to look up the information despite Mrs. O being able to answer every personal detail listed on the account e.g. DOB, contacts, address and the name of the account the payments are made from. I explained that this was not possible due

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to safety concerns and the challenges that remoteness present in the Northern Territory.

The worker put us on hold and spoke to his manager. When he came back he explained that if Mrs. O paid an additional \$206 then she could pay the rest of the loan out. I asked if he could tell me how much exactly Mrs. O has paid to date and the worker reported that she had paid \$844 and a pending transaction of \$30. I worked out by the end of the week Mrs. O would have paid \$874 for a \$300 food loan. And if she paid the additional \$206 she would pay a total of \$1,080.00 which is 3.6 times the original amount borrowed.

I did these figures for the worker, and explained how unfair this was, and highlighted the extremely negative impact this was having on her and her children's life. Cigno was made aware of her current state of homelessness and of her DFV situation. However, these pleas were met with a complete lack of empathy or comprehension of the circle of poverty that this company is perpetuating. The worker stated "well she signed a contract" and "I am doing you a favour here". I asked if I could place him on hold for 5 minutes (like he had done with me) so I could seek the advice of a financial counsellor, and he hung up on me and Mrs. O. So after sitting on hold for approximately 80-85 minutes we were given no solution going forward.

Mrs O is being supported by Somerville Community Services around this issue and we are still working on resolving them without the cooperation of Cigno.

It is important to note that Mrs. O is a single parent on parenting payments. She has 3 children. When she signed up for the loan she was given no information surrounding repayments or potential for penalties. Cigno took advantage of the lack of financial literacy and lack of alternative options people who live in remote communities. Mrs O was in an extremely vulnerable position and was only trying to feed her children.

The speed in which Cigno spread has been shockingly fast. This time last year none of us had heard of them however, a large proportion of our clients have these loans, and are paying back extremely high repayments and getting hit with deposit fee's, lender fees, and dishonour fees they are unable to get on top of them sending them into a spiral of debt, and is having a vastly negative impact on the community.

Mrs. O is a strong and impressive women who is having to deal with a lot. She needs to be protected from these predator like companies. This story was told with the permission of Mrs. O. she is wanting her story told to help combat these issues, and in turn inform others who might be a target for these companies.

Thank you
Kind regards,
Megan Johnson
Family Support Worker.

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the courage to be ...

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