

04/08/2020

Senior Manager, Financial Services Group
Australian Securities and Investments Commission
Level 7, 120 Collins Street
Melbourne VIC 3000

By email: product.regulation@asic.gov.au

To whom it may concern,

ASIC Consultation Paper 330 - Using the product intervention power: Continuing Credit Contracts - Submission

I/We refer to Consultation Paper 330 and make the following submission.

D1Q1

Do you consider that continuing credit contracts, when issued to retail clients in the way described in paragraphs 16-22, have resulted in, or will or are likely to result in, significant detriment to retail clients? If so, please provide any relevant evidence which supports your views.

I do not consider that continuing credit contracts, when issued to retail clients in the way described in paragraphs 16-22, have resulted in, or will or are likely to result in, significant detriment to retail clients. Availability of credit, in whatever form, has a place. The use of that credit is by choice. The effect or consequence of that choice must be considered but at least the credit is an option. Having no options is far more detrimental - I know that - I have committed crime as a result of having no options.

D1Q2

Do you consider that continuing credit contracts, when issued to retail clients in the way described in paragraphs 16-22, have resulted in, or will or are likely to result in, significant detriment other than, or to a greater or lesser extent than, that identified by ASIC? If other or greater detriment, how should the proposed product intervention order be expanded to address this detriment? Please provide any evidence which supports your views.

I consider that the potential detriment caused by the product is to a lesser extent than ASIC have portrayed. Based on my experience with Cigno the detriment is experienced by a small minority and does not reflect the overall experience of the majority. Like anything in life there are those who will avail themselves and cause detriment to themselves or others. The option of the credit is not the problem.

D1Q3

Are you aware of entities other than Cigno and BHFS that are issuing, or likely to issue, continuing credit contracts in the way described in paragraphs 16-22?

I'm not aware of other entities issuing the described continuing credit contracts.

D1Q4

Do you agree with our proposal to make an intervention order by legislative instrument prohibiting credit providers and their associates (including directors of such entities) from issuing continuing credit contracts in circumstances where total fees exceed the maximum permitted under the continuing credit exemption and reg 51 of the National Credit Regulations? Please provide details of why, or why not.

The detriment caused by removing Cigno as an option will result in far greater detriment to a much larger number of people. Imagine if government have such power as to eliminate anything they deem detrimental. We have long passed the times where abortion, marijuana, alcohol, gambling etc can simply be removed by an authority because they deem it unsavoury in some way. Where does that power to determine ones free choice end?

D1Q5

What alternative approaches could ASIC take that would achieve our objectives of preventing the detriment to retail clients identified in this paper?

ASIC should not intervene and should allow consumers to make their own decisions regarding their own personal circumstances.

Kind Regards,

