



Media Release

19 October 2016

Tougher restrictions needed for payday advertising

To mark Anti-Poverty Week, The Salvation Army is calling for a restriction on the promotion of payday lending and consumer leases (rent to buy) and to encourage greater access to safer and more affordable credit alternatives.

The Salvation Army, through its Moneycare program, is one of the largest providers of financial counselling and related services in Australia. Moneycare is a free and confidential service where staff can help with a range of issues including, credit and debt issues and money management.

Tony Devlin, the head of The Salvation Army's Moneycare, says that greater access to community based no interest loans (NILS) and placing further restrictions on payday lending and consumer lease advertisements will lead to better outcomes for people finding themselves in financial distress.

"The saturation of payday lending and consumer lease advertisements has normalised this risky and expensive form of lending. Through the promotion of safer alternatives and restriction of these risky types of advertisements fewer people will be exposed to predatory lending and misleading practices," Mr Devlin said.

"Every day our financial counsellors see people experiencing financial hardship because they have had to resort to payday loans or consumer leases. These loans often take up a large proportion of our client's income which can make it difficult for them to pay for necessities like rent and food."

Mr Devlin says despite the fact that many people under financial pressure turn to payday loans and consumer leases, financial counsellors and no interest loans schemes (NILS) are always better alternatives.

"People often acquire pay day loans or consumer leases when they are in a financially desperate situation. However, increasing the levels of debt at increasingly high interest will usually only exasperate the problem. We encourage people to see a financial counsellor first if they are experiencing financial stress," Mr Devlin said.

"Financial counsellors can advocate on your behalf and negotiate a payment plan with the people you owe money too. Additionally, no interest loans schemes (NILS) are available to people for essential items."

Moneycare Day ambassador, Finance Expert and Channel 9 journalist, Ross Greenwood is thrilled to throw his support behind the Salvos campaign.

"When people are in trouble, they turn to the Salvos. And that's in a range of different areas, including their money. That's why I'm so proud to support Moneycare Day ... a day that highlights the importance of financial counselling. Poor management of money is known to lead to a range of other social problems, including divorce, addiction and abuse. That's why it's so important that people and families grab control of their finances, and keep that control"

"The Salvation Army's Moneycare Service is one of Australia's largest providers of financial counselling, no-interest-loans and budgeting help. I'm supporting Moneycare Day to help the Salvos support those who are unable to support themselves. If you're drowning in debt, don't leave it too late - give Moneycare a call," Mr Greenwood said.

The Salvation Army is also encouraging the public to connect with its unique financial literacy education program, "You're the Boss". The app is free and provides financial tips, information and other resources to help you stay on top of your money.

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For more information or media comment please contact:

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