



## Buying and Borrowing

Managing your money, however moderate the income, is not just a matter of “common sense”. Neither is dealing with issues of debt.

There are some simple principles which once learnt and applied, can help you through your entire financial life....

- Get legal advice
- Pause before you make a purchase – think about whether you really want/need the item. If you spend mindfully instead of mindlessly, there will be much more pleasure in the buying. This may mean planning the purchase over a period of weeks, researching costs and reviews on the internet – or deciding not to buy the item and save your money.
- Know how much money you have, and what you spend. This sounds obvious yet often people don't know their available funds, rate of pay, Centrelink entitlements etc.
- Do the maths before making a purchase, and very importantly, before signing a contract. Many people get into financial trouble because they simply got carried away with the thrill of the purchase. Check you can afford what you are buying; and, if signing a contract, that you can afford the future payments.
- A money plan is an easy tool to assess your ability to pay for something. Check on line – there are interactive ones that are easy to use.
- Read the fine print before signing a contract – and if parts of it don't make sense to you, ask for a copy so you can take it to a trusted person. Pick someone who has some experience with financial issues, and that you know manages their finances well.

Some legal terms used (such as co-borrower, guarantor) by finance companies, banks and retailers are not widely understood – so don't be embarrassed to ask what they mean. Also ask about fees, charges and how interest is to be calculated.

**Note:** a co-borrower will be liable to pay the whole debt if the other borrower defaults – a fact that often raises its ugly head after a relationship breaks down following, for example, the joint purchase of a car.

Remember that most contracts once signed are binding – but there are sometimes cooling off periods where you have a set amount of days to change your mind. The lender or service provider has obligations to explain the terms of the contract, and to not sign you up to a contract that you cannot reasonably afford.

## Coping with Debt

If you are unable to pay your debt, talk to the creditor (bank, building society, car dealer, financier etc). If they can't give you more time to pay, or lower your payments, or if they start talking about legal action, get financial and/or legal help straight away. And if you receive a court document entitled a “Statement of Claim” **DO NOT IGNORE IT** (as many people unfortunately do), as you have only **28 days** to file a defence in court.

If you ignore your debt, such as a mobile phone account, the creditor may have the right to list you on the “bad debts” list at Credit Reference agencies. This can then affect your ability to enter future contracts for phones, housing etc. So act quickly.

People in debt often receive repeated phone calls from the creditor or debt-collection company. While they are permitted to contact you, it is against the law for them to use excessive harassment. If you are feeling harassed or intimidated by a debt collector, you can seek legal advice and make a complaint (see Help points on the back of this page).

Keep the above points in mind, and your money will serve you well (and the word debt will not be a 4 letter word)! Listed at the end of the section are some contacts that will help if needed.

# Money Matters – Page 2

## Fines

Fines (also called “penalty notices”) are issued in a whole range of situations – e.g. driving offences, fare evasion, littering, illegal fishing, failing to vote. An unpaid fine becomes a debt owed to the government, and is regulated by completely different rules to the consumer debts discussed above. If you don’t pay your fines, your driver’s licence and car registration will be cancelled (or, if you don’t have these yet, you won’t be able to apply for a licence and registration). These restrictions are imposed whether or not your fine was for a traffic offence.

However, don’t despair if you are in this situation, as you can make arrangements to pay off your fines, and have your licence and registration restored after a certain number of instalment payments. In exceptional circumstances of hardship, it may be possible to have your fines debt delayed or waived. For more information, contact the State Debt Recovery Office (the government agency responsible for fine enforcement) or seek legal advice (see Help points below). Also get legal advice if you believe you didn’t commit the offence that led to the fine in the first place.

## Gambling

Gambling can be a harmless recreational activity. Problem gambling, however, is extremely common; and has serious impacts on the individual gambler and his/her family and friends, ranging from financial and legal strife to illness and relationship breakdown. Recognising and acknowledging a gambling problem is the first step to solving it. Help is available from financial counsellors and specialist gambling counsellors.

## HELP POINTS

**Lifeline Financial Counselling**  
Nowra 4421 5365

**Wesley Creditline Financial  
Counselling Services**  
[www.wesleymission.org.au/centres/creditline](http://www.wesleymission.org.au/centres/creditline)

**Mission Australia Creditworthy** (*financial  
counselling*)

[www.fcan.com.au](http://www.fcan.com.au)  
Nowra 4422 0455

**Eurobodalla Financial Counselling Service**  
4474 0891

**Shoalcoast Community Legal Centre**  
[www.shoalcoast.org.au](http://www.shoalcoast.org.au)  
4422 9529 (*Shoalhaven*)  
1800 229 529 (*Eurobodalla and Bega Valley*)

**Legal Aid NSW**  
Nowra 4422 4351

**Consumer Credit Legal Centre**  
[www.cclcnsw.org.au](http://www.cclcnsw.org.au)

**Credit and Debt Hotline**  
1800 007 007

**Fair Trading NSW**  
[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) or 13 32 20

**Telecommunications Industry Ombudsman  
TIO**  
[www.tio.com.au](http://www.tio.com.au) or 1800 062 058

**Gambling Impact Society (NSW)**  
[www.gisnsw.org.au](http://www.gisnsw.org.au)  
c/o Nowra Neighbourhood Centre 4421 5077

**State Debt Recovery Office**  
(*re options for unpaid fines*)  
[www.sdros.nsw.gov.au](http://www.sdros.nsw.gov.au)  
1300 138 118 (*penalty notices*)  
1300 655 805 (*enforcement orders*)

**LawAccess NSW**  
[www.lawaccess.nsw.gov.au](http://www.lawaccess.nsw.gov.au) or 1300 888 529

**Financial Ombudsman Service**  
[www.fos.org.au](http://www.fos.org.au) or 1300 780 808