

Approved form 2002-75

made under the

Credit Act 1985

Credit Act 1985—Form 6

(see s 58)

Australian Capital Territory

Credit Act 1985

Things you should know about your continuing credit contract

The law says that your credit provider must give you this information about your **continuing credit contract**.

This information tells you about some of your rights and obligations and those of your credit provider. It does not state the terms and conditions of your contract.

The contract

1 How do I find out the details of my contract?

Your credit provider will give them to you in writing before you start using your credit. You should **read them** carefully.

2 What details should be included?

The details should include—

- * your credit limit; and
 - * how any credit charge is to be worked out; and
 - * any **annual percentage rate** (interest rate); and
 - * the length of the billing cycle.
-

If your contract does not tell you all of these details, contact Consumer Affairs or get legal advice, as you may have rights against your credit provider.

3 Can I get another copy of the details of my contract?

Yes. Write to your credit provider and ask for one. (You must pay any fee that the law says your credit provider can charge.) But your credit provider has to give you a copy of your contract or details of your contract only once in any period of 14 days. In the same way you can get a copy of any notice telling you about a change in the contract.

4 Can any of the conditions of my contract be changed by my credit provider?

Yes, but only if your contract says so.

5 Will my credit provider tell me before making a change in my contract?

Yes. You usually get at least 7 days notice in writing. You get a period of at least 2 billing cycles notice if the change increases the credit charge, increases your repayments, or shortens the time for repayment.

6 How do I know what I owe?

You get a statement of account which will tell you. The statement is sent to you once every billing cycle, if, during the billing cycle—

- * an amount was debited or credited to your account; or
- * there is a credit or debit balance on the account at the end of the cycle.

7 Are there any times when I do not get a statement of account?

Yes. You do not get a statement if—

- * your account balance at the beginning of the billing cycle is nil and no entries are made in the account during the cycle; or
- * your debt was written off by your credit provider and no other entries were made in the account during the cycle; or
- * you have been in default for 3 billing cycles and your credit provider has stopped providing you credit.

8 Is there anything I can do if I think my contract is unjust?

You may be able to have the Credit Tribunal look into the contract. Contact Consumer Affairs for details or get legal advice.

Billing errors

9 What can I do if I think my statement of account has an error in it?

Write to your credit provider. Tell your credit provider what you think the error is. If you can, also tell your credit provider how and why you think the error has been made.

Make sure your letter has the following details:

- * your name;
- * the name (if different from your name) the account is in;
- * the account number;
- * the date of the statement that the error appears in.

10 When should I send the letter?

It is best to send it before your next payment is due. This will stop your credit provider taking action against you and, in the meantime, you will not have to pay the amount you are disputing, or any credit charge on that amount.

11 What happens if my credit provider gets the letter before my next payment is due?

Your credit provider has 3 choices—

- 1 correct the error on your next statement of account; or
- 2 leave the error as it is and send you a letter giving reasons why your credit provider thinks there is no error; or
- 3 do nothing. In this case your credit provider has no right to take action against you to recover the amount you dispute.

12 What if my credit provider does not change the error, and I still think it is wrong?

You can have the Credit Tribunal decide the matter. To do this, you have to apply within the next 2 complete billing cycles after you receive your credit provider's reply. If you do not apply within this time, you have to pay the amount you are disputing. The credit charge on this amount will also start up again.

General

13 If my credit provider owes me any money, can I ask for it to be paid to me?

Yes.

14 What do I do if I cannot make 1 of my repayments?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. For example, you could ask for your contract to be varied, repayments to be deferred, or action postponed.

15 What if my credit provider and I cannot agree on a suitable arrangement?

Contact Consumer Affairs for help.

If you have been **unemployed, sick**, or there is another **good reason** why you are having problems with your contract, then your contract may be able to be varied under the law to meet your situation.

There are other people, such as financial counsellors, who may be able to help.

16 Can my credit provider take action against me under my contract?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being harassed or threatened, contact Consumer Affairs or the Trade Practices Commission, or get legal advice.

17 Must my credit provider tell me first before taking action against me?

In most cases, yes. In those cases, you get at least 1 month's notice in writing from your credit provider. At the same time you get a statement of what you have to pay.

The notice tells you why your credit provider wants to take action against you and what you can do to stop it.

You do not get any warning if there is good reason to think you deliberately misled your credit provider when your contract was made.

18 Do I have any rights and obligations under the law if I have given a mortgage?

Yes. You have the right to get certain documents from your credit provider. You also have rights if your credit provider wants to take the mortgaged property.

Your obligations under the law limit what you can do with mortgaged property.

19 Do I have to take out insurance?

With certain types of property you must take out insurance. If there is a mortgage, your credit provider can insist that you insure the property covered by the mortgage. Otherwise, you can decide if you want to take out insurance or not.

20 Do I have any other rights and obligations?

Yes. The law does give you other rights and obligations. You should also **read your contract** carefully.

IF YOU HAVE ANY DOUBTS OR YOU WANT MORE INFORMATION, CONTACT CONSUMER AFFAIRS OR GET LEGAL ADVICE.

PLEASE KEEP THIS SUMMARY. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

Endnotes

- 1 This form was originally in the *Credit Regulations 1985*, schedule 1. Under amendments made by the *Legislation (Consequential Amendments) Act 2001*, the form was omitted from the regulations and became a form approved under the *Credit Act 1985*, section 256 (see amdts 1.966, 1.978 and 1.980).
- 2 This republication includes amendments made under the *Legislation Act 2001*, part 11.3 (Editorial changes).

© Australian Capital Territory 2002