

sharkwatch

The Financial Counselling Journal



Inside this issue:

- The A-Z of Easy Payments: AfterPay and ZipPay
- Motivational Interviewing: A Beginner's Guide
- Profile: Liza Picciolo (Wagga Family Support)





Cover Art: "Portrait using credit card"

Artist: Emma Warburton (aged 14)

Details: Acrylic paint on canvas using a credit card as a palette knife

About the artist: With two financial counsellors in the family, it is not surprising that Emma is using credit cards in ways not intended by the credit providers! Emma, who is in Year 8 at High School, received the Fred Hollows Humanity Award in 2015 for her work raising awareness about the impact of the forced closure of remote Aboriginal communities.

SHARKWATCH

Sharkwatch: The Financial Counselling Journal is published by the Financial Counsellors' Association of NSW (FCAN). FCAN is the peak body for NSW financial counsellors and is funded by the NSW Department of Fair Trading. FCAN produces Sharkwatch as a way of resourcing financial counsellors, raising awareness of key issues, keeping financial counsellors aware of what others in the sector are doing, and providing a voice to the low income and vulnerable Australians that are financial counsellors' clientele.

EDITORIAL TEAM

The Editorial team is comprised of financial counsellors, FCAN staff and consumer lawyers. The current editorial team is Wayne Warburton, Richard Brading, Jo Parker, Lyn Brailey and Graham Smith.

CONTRIBUTIONS

Contributions are encouraged and are sought from any interested parties who feel they have something to contribute. Please email contributions to BOTH Wayne Warburton and Lyn Brailey at the email addresses below.

COVER ART

Sharkwatch will have new cover art for every issue. Cover art will either be photographs of artworks/craft items, or other photographic artworks, that have been produced by financial counsellors or their clients. For each artwork we would need to know the artist's name, the subject matter, the nature of the artwork (e.g., oil painting on canvas), a brief story (one line) about the artwork and a brief (1-2 line) bio of the artist. We strongly encourage readers to send in cover art, which should be emailed to BOTH Wayne Warburton and Lyn Brailey at the email addresses below.

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Contents



We all have clients who would benefit from behavioural change — whether to reduce gambling or spending, or to reinforce adherence to a payment plan or money goal. Motivational interviewing is one way of working with a client towards seeing the need for, and then working towards, behaviour change. See our introduction to motivational interviewing techniques on page 4.

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Motivational Interviewing: A basic introduction to the techniques

Wayne Warburton

As financial counsellors there are often times when we feel our clients would manage their financial situation better if they were able to change some key behaviours, such as compulsive spending, gambling or expensive habits. However, as we all know, lots of clients are not motivated to make such changes, or find it very difficult to change entrenched behaviours. One counselling approach that has been effectively used to help people choose to make behavioural changes, and to effectively make those changes, is *motivational interviewing* (MI).

This approach was developed by William Miller and Stephen Rollnick, two clinical psychologists who worked in the field of alcohol addiction. Miller first described motivational interviewing in the journal *Behavioural Psychotherapy* in 1983, and he and Rollnick elaborated on the technique in their 1991 book *Motivational interviewing: Preparing people for change*. The most recent edition of their book (edition 3) is the current 'bible' for MI, and was published in 2012¹.

"MI is a collaborative, goal-oriented style of communication with particular attention to the language of change. It is designed to strengthen personal motivation for, and commitment to, a specific goal by eliciting and exploring the person's own reasons for change within an atmosphere of acceptance and compassion."

(Miller & Rollnick)

MI involves working with clients to help them explore the need to make changes in their life, with a view to encouraging them to make their own decision to make adaptive changes. This is done through carefully listening to clients' language around the topic of change and encouraging pro-change reflections, whilst acknowledging stated reasons for not changing. At all times the client's autonomy is respected, and the atmosphere is one of acceptance, non-judgment and compassion. Through this process, clients ideally come to make a pro-change decision and a plan for how to make these changes, and then enact that plan.

It is important to note that MI is not a technique that can simply be added to any counsellors' repertoire. It has a substantial underlying philosophy and is unsuitable to be used in conjunction with techniques outside that philosophy.

The basic aim of MI is to help clients who are ambivalent toward changing a particular behaviour to reach the point of commitment one way or the other. If a client commits to change, MI is also helpful for helping them to make and maintain this change.

MI may be particularly helpful for:

- Gambling or substance issues
- Compulsive spending
- Changing expensive habits
- Changing money behaviours
- Commitment to stick to a money plan or payment arrangement
- Choosing a particular priority or goal and then working towards it.

The MI Philosophy

The underlying philosophy of MI is above all collaborative. Counsellors work with the client rather than direct the client from a position of authority and power. They should respect the client's own expertise, understand the client's goals, and work beside the client toward those goals. MI is also an evocative approach that aims to draw out ideas and solutions from the client, as the client is seen as the expert on themselves and how they can best approach changing their own behaviour. The MI philosophy honours autonomy, by allowing the client to make their own decisions and be responsible for them. Finally, in the Rogerian tradition, the client-counsellor relationship is expected to be warm, connected, empathic and trusting. MI simply does not work where the client and counsellor are disconnected, or where the client doesn't trust the counsellor or feel they have the client's best interests at heart. Warm client-counsellor engagement is central to MI.

Because MI is based on these principles, it will not be effective where the counsellor has a different underlying approach, such as an 'I am the expert and you should take my advice' counselling style.

MI, for me, is probably a good fit with the following counselling approaches:

- Active/reflective listening;
- A client-centred approach;
- Guiding rather than 'treating';
- 'Externalising' the client's problems (dealing with the problem rather than the client's 'shortcomings');
- Narrative approaches;
- Strengths-based approaches.

Stages of Change and Ambivalence

A key model that is used alongside MI is the Transtheoretical Model (TTM) of Prochaska and DiClemente (1983), also known as the Stages of Change Model (see Figure and inset below)².

Within this model, a key goal of MI is to work out which stage a client is at, and address their concerns and issues relevant to that stage. MI does much of its work in the contemplation stage, where clients are ambivalent about behaviour change, but this ambivalence can be solidified into a decision to make and enact behaviour change.

The four key MI Processes

In order to help clients move to the point of choosing and then enacting change, MI suggests that the counsellor needs to do four key things. These would normally need to happen in a sequence.

Engaging. First, counsellors must establish a connected, empathic, trusting relationship with their client. In this stage counsellors talk with clients about their issues, concerns and hopes whilst also building a good therapeutic relationship with their client. This is an open-ended stage which moves toward a clear focus.

Focusing. Then, counsellors use MI techniques to narrow the conversation with the client to habits or patterns that the client wants to change.

Evoking. This process is at the heart of MI. This is where the counsellor uses various MI techniques to elicit client motivation for change by evoking an increased sense of importance for change in clients, helping clients to

feel confident about change, and helping clients be more ready for change.

Planning. In this stage the counsellor helps the client who is now motivated to change to develop the practical steps they would need to undertake to implement that change.

As you can see, each step takes the client further along the stages of change cycle.

Key MI Techniques

Fortunately, many of the MI techniques have easy to remember acronyms – the OARS, the DARNs and the CATS, for example.

Recognising change talk and sustain talk

A key MI skill is recognising '*change talk*', the client's own statements that favour change, and '*sustain talk*', the client's own arguments for not changing and maintaining the status quo. This is not as easy as it sounds, and it can be helpful for counsellors to look at videos of MI sessions and try to identify the change and sustain talk they hear (there are video links later in this article you can use). After practice, it becomes easier to identify when the client's language is favouring change or is sustain talk.

The OARS

- **Open ended questions.** These open the door and encourage the client to talk; they do not invite short answers but leave a wide latitude in how to respond. Avoid questions with short answers ("Did you gamble this week?"), or which have limited answer options ("Do you plan to keep gambling or to stop?").

The Stages of change

Pre-contemplation. The client is unconvinced they have a problem and/or need to change. Clients may feel pressured by others to seek treatment, but change is not on their current agenda.

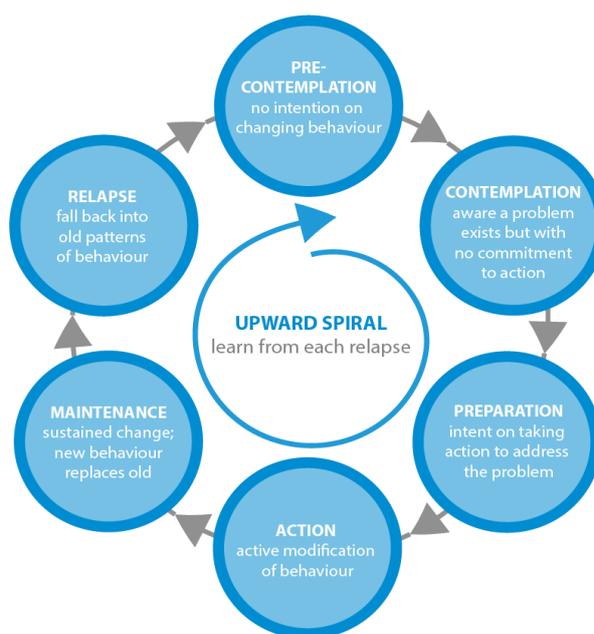
Contemplation. The client is actively considering the possibility of change. They are evaluating their behavior and options, but are not ready to take action yet. At this stage clients are ambivalent about change.

Preparation. The client makes a commitment to change and starts making initial plans to actually change their behaviors.

Action. The client begins to make actual behavior change, and to use new ways of dealing with situations.

Maintenance. The client begins to consolidate new behaviors and new ways of thinking into their regular daily life.

STAGES OF CHANGE



The Transtheoretical Model of Behaviour Change — Prochaska & DiClemente, 1983.

Continued page 8



Richard Brading
Solicitor

The Law

The A to Z of ea

AfterPay an

Afterpay and ZipPay are the new kids on the block in credit, and flexing their muscles. If you are young, fashion-conscious, with limited money-management skills, then they may be just what you want. (Similar products include OpenPay and Certegy Ezi-Pay).

How they work

Afterpay/ZipPay enable you to buy now and pay later, creating the perfect recipe for impulse buying. It is very popular with Millennials. Signing up takes only seconds online or at the retailer's checkout. You must provide a credit or debit card deduction authority, as well as your name, address, phone number, email, date of birth and an authority for them to conduct a credit check. Only Visa and Mastercard are accepted (not Amex). ZipPay accounts can be created or accessed through the customer's Facebook or LinkedIn account for extra convenience.

In just a couple of years, Afterpay has signed up over 700,000 customers, with \$1 billion in annual sales¹. It processes 3% of Australian online retail transactions and 15% of Australian online fashion retail transactions².

The National Credit Code does not apply to Afterpay/ZipPay, as no credit charge is imposed. Instead, it is the retailer who bears the cost. The process is a bit like factoring, as Afterpay/ZipPay effectively purchases the debt at a discount. Afterpay charges retailers 30 cents for every transaction, plus a commission ranging from 4 to 6 percent. ZipPay is cheaper, charging retailers 15 cents per transaction, with commissions ranging from 2 to 4 percent³.

Afterpay/ZipPay is then responsible for collecting the debt, which they primarily do by charging the consumer's credit card or debit card. Afterpay claims that less than 1% of its customers fail to make their repayments⁴. While this seems low, it may simply reflect the process by which Afterpay can charge its instalments to the customer's credit card, transferring responsibility to recover the money to the credit card provider.

However, the retailer remains legally responsible for the products or services supplied, and for dealing with refunds and warranty claims.

Afterpay claims that its service boosts retailer's profits, with Afterpay users being 34% more likely to spend, and to spend up to 25% more than the average customer. One commentator said *"Afterpay is a psychological play that has the potential to encourage impulse spending (after all that is why retailers are using it). If you ever experience periods of habitual overspending, you regularly pay interest on credit card purchases, or have other debt issues, you should probably steer clear of Afterpay."*⁵

Presumably the retailer allows for the cost of the Afterpay/ZipPay service when setting its product price. The retailer pays them more than the credit card fees charged by Visa, Mastercard or American Express. If a retailer does not offer Afterpay/ZipPay, it could lose sales to a competitor.

At a time when government regulators seem fixated on high levels of borrowing in the residential property sector, these new lenders seem to have slipped in unnoticed.

At present, the average purchase on Afterpay is between \$150 and \$200. The maximum individual purchase allowed on Afterpay is \$1500⁶. ZipPay's limit is \$1,000. For many consumers this new debt will be additional to their existing credit card and other financial commitments.

The Afterpay payment process is clear and simple. The debt is paid over 4 fortnights, by way of an automatic charge to the consumer's credit card or debit card. So the debt is paid relatively quickly. If there are insufficient funds at the time a payment is due, then Afterpay imposes a late fee, which is \$10 in the first week, and \$7 a week after that⁷. In the first half of 2017, Afterpay expected to earn \$1.2 million in late payment fees along with \$6 million in fees charged to retailers⁸. Late fees are legal. In 2016, the High Court ruled that creditors were entitled to charge big late fees, as they covered not just costs applicable to the individual customer, but also the creditor's general indirect costs, such as debt collection and provision for bad debts⁹.

ZipPay is more like a credit card, but with no interest. On the 1st day of each month, the consumer receives a statement listing their purchases over the preceding

Matters

easy payments:

and ZipPay



month. If the consumer pays their account in full by the end of the month, no interest or fees are payable. Like Afterpay, ZipPay also obtains authorisation to directly debit the consumer's account. If the account is not paid in full by the end of the month, ZipPay adds a flat \$5 "account fee" for each month until the account is paid in full. A minimum monthly payment of \$40 is also required.

When the \$1,000 ZipPay limit isn't enough, the consumer can graduate to ZipMoney, which has a \$10,000 credit limit. ZipMoney is marketed as a "digital wallet", encouraging consumers to "pay for your item with funds in your new digital account." Never before has it felt so good to get into debt. Like ZipPay, ZipMoney is for purchasing goods, not cash advances. They say "Once signed up, you can make as many purchases as you like at any of our partner stores, as long as you stay under your credit limit and make your minimum repayments each month." ZipMoney is a credit card, but the slick marketing hides that ugly fact. There is a 3 month interest-free period on purchases, then interest is charged at 19.9% p.a. There is also a \$4.95 monthly account keeping charge. The details are hidden amongst lots of pictures of happy people. A late fee of \$15.00 is charged if the consumer does not make their minimum monthly repayment.

Westpac recently acquired a \$40 million dollar stake in ZipPay/ZipMoney, coupled with a "strategic relationship" to find ways to incorporate Zip's products into Westpac's network¹⁰.

Returns and refunds

The returns and refund procedure is often slow. When the consumer returns their purchase to the retailer, the retailer is then required to notify Afterpay and refund the payment it has received to the consumer's account. Afterpay/ZipPay will then stop making further charges and refund the consumer's account. After 120 days from purchase, Afterpay/ZipPay will no longer process refunds, and the consumer can only deal with the retailer.

Consumer Debt

The impact on consumer debt has already been noticed. Debt Agreement Administrator Fox Symes

reported that five percent of its clients in April and May 2017 had an Afterpay debt. One client had 68 payments owing to Afterpay in a 6 month period totalling \$2400¹¹.

Financial counsellors are also encountering clients with Afterpay debts. One financial counselling client was buying goods on Afterpay then selling them on eBay to get money to gamble.

The National Credit Code

Afterpay/ZipPay charge no interest so avoid regulation by the National Credit Code. They both claim to have a responsible lending policy and use a computer algorithm to determine an individual's maximum credit limit. They also have the right to obtain a credit report. Complaints about these products posted on online forums are mostly by customers who were refused credit to purchase goods without explanation, which suggests that these lenders are actively trying to control their customers spending.

Although regulated by the National Credit Code responsible lending requirements, ZipMoney proudly states that its' online application process takes less than 3 minutes. If approved, ZipMoney requires the consumer to authorise a regular direct debit payment. Once the consumer makes a purchase, they can choose to make monthly, fortnightly or weekly repayments in a fixed amount. There doesn't appear to be an automatic option to pay the balance in full, although this can be done manually. ZipMoney only accepts debit cards and payments via a bank account.

When things go wrong

Consumers with a dispute can use external dispute resolution. Afterpay is a member of CIO, and ZipPay is in FOS.

In a world of easy finance, excessive spending and instant debt, these easy payment options just add to the problem.



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Motivational Interviewing, continued

- **Affirmations.** These emphasise a client strength ("you seem like a strong person"), notice and appreciate a positive action ("I like how you handled that situation"), and/or express positive regard and care ("I hope things go really well for you this week"). Affirmations should be genuine.
- **Reflective listening.** This is a basic counselling skill that most financial counsellors already possess. It involves reflecting back to the client what you think you have heard them say. Reflective statements often start with "So you feel..." "It sounds like you..." or "You're wondering if...". There are a number of ways of reflecting back to clients:
 - ◇ Repeating
 - ◇ Rephrasing
 - ◇ Paraphrasing
 - ◇ Reflecting the feelings you have sensed
 - ◇ Double sided reflections. These reflect back both a current 'resistant' sustain statement and a previous contradictory change statement the client has already made:

Client: I cant stop gambling because all my mates gamble

FC/GC: You can't imagine how you could not gamble with your friends but at the same time you are worried about how its affecting you

Client: Yeah – I guess I have mixed feelings.

- **Summarising.** Summarizing is a special application of reflective listening that links together discussed material, demonstrates careful listening and prepares the client to move on ("Okay, here's what I've heard so far. Listen and tell me if I've missed anything...."). It may bring together a 'bouquet' of previous 'change' statements so that the client can see, together, their own words that impel them toward change. Summaries should be concise and conclude with an invitation for the client to respond ("So is that a fair summary", "What have I missed?"). They can be particularly helpful to stop the conversation drifting or to change the direction of the conversation.

The DARNs and the CATS

These are a key part of the evoking stage. Each DARN reflects a factor on the pro-change side of ambivalence. DARN statements are considered preparatory change talk because none of them, alone or together, indicate that change is going to happen. The DARNs are statements that indicate:

- A **D**esire to change
- The **A**bility to change,
- **R**easons for change; and a
- **N**eed for change.

The CATS are also change statements, but they indicate greater movement toward resolving ambivalence in the favor of change and planning for change. CATS statements are those that indicate:



- **Commitment:** these statements signal the likelihood of action. "I will"; "I promise"; "I guarantee"; "I intend to" (decision with a little doubt)
- **Activation:** these statements indicate movement toward change, but not quite a commitment. "I'm willing to try"; "I am ready to"; "I am prepared to"
- **Taking Steps:** these statements indicate the client has already done something in the direction of change. "I cut up my credit card"; "I closed my account at XXXX"; "I haven't gambled for a week now".

The **DARN CATS:** Language that signals movement toward change.

Scales

A common way of assessing and cultivating the importance of change, or confidence to enact change, is the use of scales. Scales can help clients/patients to verbalize and process their ambivalence further. For example, you might ask:

- "On a scale of 1 to 10, how important do you think it is for you to stop gambling?"
- "On a scale of 1 to 10, how confident are you that you can stop gambling?"

In responding to scale answers, MI takes a strengths-based approach that is affirming and focuses on what clients can do rather than what they cant. For example:

- "Why did you give yourself a 4 instead of a 2?"

Scale answers can also be used to encourage clients to think about how they can make positive change:

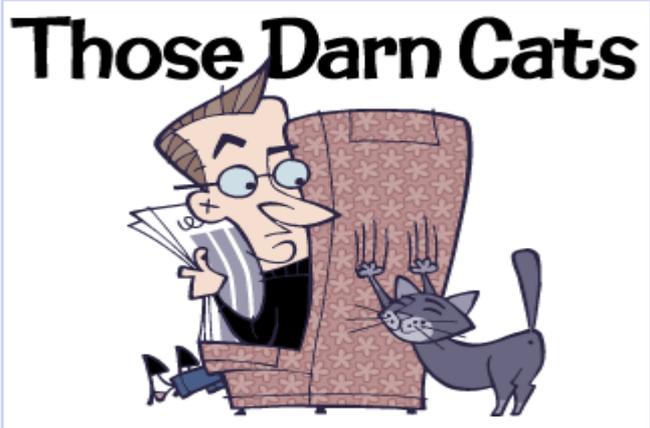
- "What would make you go up to a 6 or 7?"

Good MI practitioners are quite skilled at slipping a scale into conversations with clients to help them focus their thinking on where they are at, and how confident they are to enact change. The videos [here](#) and [here](#) show a practitioner using scales in their conversation with clients.

Responding to change and sustain talk

When you hear change talk respond to it with the OARS. Ask for more details, comment positively about what you heard, and reflect and summarise the change talk.

Sustain talk should be reflected, to acknowledge what the person is saying. However, sustain talk is not to be encouraged either. Avoid evoking and exploring the client's reasons for maintaining the status quo. Also avoid pushing against it, as this is likely to entrench it. Rather than directly oppose resistance to change (e.g., by arguing for change), counsellors in MI are encouraged to 'roll with resistance'. In MI, resistance not seen as the client being 'difficult', but rather as a sign that the current counselling approach isn't working very well. Thus, in MI, the counsellor would view resistance as a sign that they may need to revise their counselling approach in ways that reduces resistance.



Planning for change

There are a number of signs that clients are ready to start planning for change:

- There is an increase in change talk with noticeable strength in commitment language (The CATS);
- The client has begun taking steps toward change - testing the water;
- There is a noticeable reduction in the amount of sustain talk;
- The client demonstrates resolve;
- The client asks questions about change.

Nieri (2013)³ notes a number of techniques that can be used to help transition to this stage:

Information and advice within MI

- Be clear and concise, avoid jargon
- Offer small amounts of information with enough time to reflect
- Allow the client to disagree with or ignore information you have given
- Don't interpret the meaning for the client
- Check back in to see what they actually understood you to mean, what their response is, and whether the information you provided was what they wanted
- Advice implies actions another should take, and often causes resistance. Emphasise the client's choice and offer options instead.
- Advise only if the client wants advice.

Watching MI in action: Video links

Perhaps the best way to get a sense of how MI works — using the OARS, recognising change talk, using scales and other MI techniques — is to see it modelled. Sadly, almost all videos are about medical- and addictions-related use of MI. However the same principles can be applied to gambling and financial counselling.

Alan Lyme shows how it [shouldn't be done](#).

Alan Lyme shows how it [should be done](#).

Joe Hyde demonstrates [core skills](#) and a nice technique

A medical practitioner demonstrates using the OARS to [evoke commitment to change](#)

You can also find a nice introduction to MI by Bill Matulich [here](#).

Bill Matulich on using the [decisional balance to elicit change talk](#).

A gambling example can be found [here](#).

Recapitulation: Collecting a summary of change talk, like adding flowers to a bouquet

"I've heard you say you want to feel better, have less money hassles, have more time for your kids and set a better example by not gambling. What do you think you need to do to get there?"

Key question: From the bouquet, ask a short and simple question about a positive action:

"What do you think will make that happen?"

Pregnant Pause: Waiting for the client to hear themselves or feel the emotion associated with their statement. This allows them to sit with the discomfort without rescuing them.

Plans for change should be specific and co-occur with a stated commitment to change. The plan, of course, is just the beginning of the change journey, not the end. The conversations about planning for change are conversations about action, and should involve listening carefully for the client's own solutions, promoting the client's autonomy, and continuing to elicit and strengthen change talk. Some things to remember about effective plans for change:

- Public commitment, social support, and self-monitoring can all reinforce change;
- The journey is often 2 steps forward, one step back, so counsellors need to be flexible and willing to return to the earlier stages (evoking, focusing, and sometimes even engaging) as needed.

Motivational interviewing can be a powerful tool for change, and can be effective in a number of areas relevant to financial and gambling counselling. It also builds on skills most counsellors within the sector already have, making it a realistic approach. Remember, though, it will only be effective if the MI philosophy doesn't clash with other approaches you use.



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Fiona Guthrie, FCA CEO

There are lots of projects on the go at FCA, so here's an update on some of the things you'll be hearing more about soon.

Toolkit website — a new toolkit website is about to be launched. The site has a whole new look and structure, so while it might seem a bit strange at first, it should be much easier to find what you need. The toolkit also includes a brand new learning management system with online learning modules around relevant CPD topics.

Rank the Banks — the Rank the Banks surveys in 2013 and 2015 have had a big impact on the banking industry and there is no doubt the surveys have contributed to improved hardship practices. We'll be sending out the 2017 survey in October, with the aim of publishing Rank the Banks 2017 in November. If you haven't seen a previous Rank the Banks report, you can access them [here](#).

Financial Counselling Foundation — this is the charitable trust we've been wanting to set up for a very long time. The idea is to have a vehicle that can accept voluntary industry donations to fund financial counselling casework in a way that manages conflict of interest. The good news is that this is close with the legal work expected to be completed in the next few weeks. We're planning a launch event in early December. Betty Weule is one of the trustees.

FCA Representative Council — the Council met in September in Melbourne. The NSW representatives on the Council are Graham Smith and Pauline Smith. The Council discussed progress on a national supervision policy, agreed a process for reviewing the national standards for membership and accreditation and agreed a forward agenda for the location of future FCA conferences (see below). There was also a campaign update from Consumer Action Law Centre about how Financial Counsellors can become involved in campaigns to get law reform in relation to payday lenders, consumer lease providers and for-profit debt management firms. The Council issued a media release.

Family violence training — we'll be rolling out a two-day training workshop on assisting clients affected by family violence toward the start of next year.

FCA Conference in 2018 ... and the location is Hobart. More information coming soon about the program.

Any questions? Email or ring:

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Good news for clients with loans from Web Moneyline and Good 2 Go Loans

ASIC has taken out an enforceable undertaking against two payday lenders — [Good to Go Loans](#) and [Web Moneyline](#). In their press releases ([here](#) and [here](#)) ASIC noted that in their investigation of the loan product, OACC2 (in both cases), it was found that this type of loan "was provided to consumers on terms which fell outside the definition of a small amount credit contract. However, on the same day consumers entered into an OACC2 loan, almost all of the OACC2 agreements were modified to repay the loan at higher regular repayment amounts over a shorter period of time, which may have exposed consumers to a higher risk of default." For this reason, ASIC believes that these two lenders "may have charged above the cap on fees and charges had the loans been construed as small amount credit contracts as defined under the National Credit Act".

Both lenders have been ordered to cease offering this product. Importantly, ASIC's enforceable undertaking provides an avenue for redress for customers of Good to Go Loans and Web Moneyline. Under the enforceable undertaking, both providers have been required to:

- write off all outstanding OACC2 loans including any outstanding debts which have arisen as a result of entering into these loans;
- notify the relevant credit reporting body that these loans have been settled, in order to correct the affected consumers' credit records; and
- not enter into the OACC2 loan product with any new consumers.

Further, ASIC notes that all consumers with outstanding debts from OACC2 loans taken out between 18 May 2014 and 20 May 2015 (Good to Go Loans) and 21 August 2014 and 26 May 2015 (Web Moneyline) are not required to make any more payments and will shortly receive communication from lenders confirming that their loan is now finalised.

ASIC has encouraged consumers who believe they may have entered into a loan contract with Good to Go Loans or Web Moneyline (either in-store or online) that was unsuitable, to lodge a complaint with the [Financial Ombudsman Service](#) (who can be contacted on 1800 367 287 or at info@fos.org.au).

The bottom line is that current clients with this type of loan from either company won't need to make any more payments, and clients with older loans should lodge a complaint with FOS because they may be able to get some of their money back.

Electric shock! Surviving the electricity price rise and getting the best plan

Many Australians are reeling from receiving their most recent electricity bills. In fact I (Wayne) am one of them. In my household, our electricity use fell from the previous quarter, the pattern of usage stayed the same, but the bill itself was 29% higher. I have no idea why the increase was so much above the forecast 20%, but it is an understatement to say we were shocked, and I suspect we are far from alone.

Various commentators have their opinions on how this big price increase has arisen (e.g., see [here](#), [here](#) and [here](#)), but regardless of the cause, it is another big blow for many low income and vulnerable Australians.

Crucially for our clients, some of the providers have discounted plans available that can offset part of the increase. So, as [Energy Consumers Australia](#) note, the single most important thing consumers can do is [make sure they are on the best plan](#). To this end we suggest making use of a really helpful ECA resource, the [Power-Call](#) site, which guides consumers through the process of ringing providers to find the best electricity plan.

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Around the Traps

Central West Region



Within our region we cover one third of the state. The ability to conduct adequate outreach services is an ongoing battle. Will there ever be enough funding to service all these rural areas properly? I do hope so!

Some of the main issues in our region are:

1. [Housing and homelessness](#) (268 people per 10,000 in Western NSW are homeless), couch surfing can be a somewhat expensive task! Sure you may have free rent for a short time but at what other costs?
2. [Domestic violence](#) (we have some of the highest rates in the state) victims are often unable to secure rental properties and there are flow on effects from that.
3. [Health issues](#) (communities across Western NSW have a higher than average rate of mental and behavioural conditions – Overweight and obesity rates in Western NSW are also above average at 60.3%). Travel time and costs to obtain medical treatment continue to be an issue for families in the West.
4. [Ever increasing power bills](#) (it's either HOT or COLD out here and not much in between), we have noticed an increase of referrals from energy providers that require clients to seek assistance from a Financial Counsellor in order to recommence payment plans and or to obtain EAPA assistance.
5. [Unemployment and underemployment](#) continues to affect many people within our community.

Kylie Holford, Lifeline Central West



Profile

Liza Picciolo (Wagga Family Support)



What is your background?

I'm 33 years old, married with 4 children (2 boys and 2 girls). I was born in Wagga Wagga NSW and lived in Newcastle and Adelaide due to my family having a Defence Force background. I have an identical twin sister, and 2 older sisters who live in Adelaide. I'm from a very large family; we love spending time with each other, especially Birthdays and Christmas.

What drew you into Financial Counselling?

I was a single mother with two young children struggling to manage with a small income. My ex-husband had gambling and financial issues, abused me financially and mentally, and left me with his debts. Financial Counselling training helped me to forgive, understand his behaviours, and to move forward in my life.

My family were my answer. They helped me to study again, and re build a future for myself and my children. I was the lucky one to have so much love around me. Without them I wouldn't be where I am today. They have helped me to become a strong, caring and independent woman.

In 2013, I had an opportunity to work with the Women's Domestic Violence Court Advocacy Service at Wagga Family Support. From there I gained much knowledge providing support for women and their families.

Training for Financial Counselling was also available with Wagga Family Support, and I was asked to complete the training. Since then I haven't looked back.

You work in a high needs area. What are some of the challenges you face?

The challenge I find is that when clients are internally ill and only have months or years to live, they are determined to fix all their debts while mentally and emotionally experiencing extreme trauma. Financial Counsellors listen to the extreme emotional stories of real people's lives, and sometimes it is the very first time those people feel they have been heard or listened to.

The other challenge I have experienced is working with drug and alcohol rehab clients. Over time I will see so much improvement with everyday living, and then they relapse back into trouble with the law. Seeing so much potential, a good person wanting to make changes falling back into old ways, can be hard. The good thing is that they now have the skills when they are ready to use them again.

Never give up!

If you could pass one law in Australia, what would it be?

For me it would be for everyone in Australia to be treated equally as Australians under the Human Rights Act. I think the rights set out in the Human Rights Act should be guaranteed equally to all people in Australia, without discrimination of any kind.

Tell me about some interest outside financial counselling?

I enjoy playing social and women's division netball and mixed touch football with my husband. Due to a shoulder injury late last year, I decided to find a new interest which would allow me to still be a part of the sport I love. I have gained my netball national C grade badge to umpire local games. Now I have found a new passion!

Throughout the week I'm a member with F45 [fitness training], which keeps me focused in a positive atmosphere and helps me through difficult times as I deal with clients case by case.

Most of all I really enjoy a good coffee.

What are you currently reading and listening to?

I love RNB Fridays, listening to old hits gets me through my working day.

I recently finished reading a book called *Many Minds Many Masters* by Brian L. Weiss. This book is a very different experience, which left me wanting to read more.

What is your favourite meal and where you like to be eating it?

Homemade Butter chicken, that only my husband knows how to cook.



The Financial Counsellors' Association of NSW (FCAN) is a not for profit, charitable institution that supports Financial Counsellors in NSW and advocates for consumers in financial hardship.

The role of FCAN is to ensure that:

- Financial Counsellors in NSW are supported to comply with best practice
- The Financial Counselling sector has secure, stable and sustainable funding
- Financial Counselling has a high profile
- Vulnerable consumers have an effective voice
- The Association is a strong, adaptive organisation that is valued by members, government and other stakeholders.

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