



Financial Services Federation

Media Release

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New resource to help equip consumers for dealing with mobile traders

The Commerce Commission's crackdown on the mobile trader sector has resulted in more than \$1 million in fines to unscrupulous traders, or "truck shops", as they have become known.

The Financial Services Federation is supporting this crackdown on unscrupulous mobile traders with the launch of a new consumer resource - *The Responsible Mobile Shop Code*. The Code is to help arm consumers with valuable knowledge for dealing with a mobile trader, especially as we enter the expensive holiday season.

The Financial Services Federation is the voice of New Zealand's responsible, non-bank financial institutions. It has one mobile trading member, Home Direct, which was in July reported as the only one of 32 visited companies which the Commerce Commission was satisfied as compliant with its Fair Trading Act and responsible lending obligations (under the Credit Contracts and Consumer Finance Act).

The Responsible Mobile Shop Code has been developed with consultation from the likes of disputes resolution services and the National Building Financial Capability Charitable Trust (which this year replaced the Federation of Family Budgeting Services).

The Responsible Mobile Shop Code contains:

- Information about how responsible mobile traders behave, including stopping any demonstration or phone call immediately if asked to, providing a correct contact addresses and telephone number, and being easy to get hold of and return calls.
- It advises that terms of a loan should be written in plain English, with the total amount payable over the term of the loan written on the front of the agreement. Traders should make reasonable enquiries to ensure that borrowers can make payments under the loan agreement without suffering financial hardship, and consider any cases of unforeseen hardship fairly (among other lender responsibilities).
- The Code also addresses traders' obligations under the Fair Trading Act, such as providing correct instructions and safety warnings for products and ensuring they comply with any legal requirements around warrantees and returns.

Lyn McMorran, Executive Director of the Financial Services Federation, says that from the Financial Services Federation's point of view, there is an appetite for a mobile shopping sector and when provided appropriately it is a valuable service to consumers who are house-bound or who have difficulty in getting to the shops for other reasons. But these consumers need to be treated better by mobile traders and need to know their rights when dealing with one.

"Certain people for one reason or another are extremely inconvenienced or unable to access traditional stores during regular opening hours, or prefer to purchase items from the comfort of their own home.

“Regardless of the ways in which consumers choose to purchase, our main concern is that they continue to have a choice, and if they choose a mobile trader, that trader will act responsibly by demonstrating principles outlined in this Code.”

As well as being a source of information for consumers, The Financial Services Federation hopes that messages in the Code may be taken on by other traders to help lift standards in the sector.

The Code will be officially launched by the current Commerce and Consumer Affairs Minister at an event in Auckland attended by members of the Financial Services Federation, budget advisers, and other finance industry stakeholders on October 31.

For all media enquiries, image and interview requests, please contact Hannah McKee, at hmckee@fsf.org.nz.

[The Financial Services Federation \(FSF\)](#)

The Financial Services Federation (FSF) is New Zealand’s largest industry organisation representing responsible, non-bank financial institutions. The FSF has strict joining process and takes a “quality over quantity” approach to its membership. The Federation currently has 57 members, all of which are subject to a Code of Conduct which ensures its reputation as the setter of industry standards in responsible lending. FSF members take their compliance obligations very seriously, and support quality regulation.

In 2009, FSF released the [Responsible Lending Guidelines](#) to inform consumers about what they should expect from a lender when borrowing money. The Federation also joined forces with New Zealand Federation of Family Budgeting Services to develop the [Code of Responsible Borrowing](#) to inform consumers of what they need to know and their obligations when borrowing. FSF’s latest resource is the [Responsible Credit-Related Insurance Code](#) which launched in July, 2017.

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