Financial Services Federation

MEDIA RELEASE
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FSF responds to call for banks not to deal with mobile traders

The Financial Services Federation is urging banks to proceed sensibly in response to a suggestion not to provide banking services to anyone in the mobile trading sector.

Lyn McMorran, Executive Director of the Financial Services Federation (FSF) - the industry body that represents responsible, non-bank financial institutions – says it's important not to tar all mobile traders with the same brush.

"The FSF does not by any means support the predatory behaviour and irresponsible lending that has been highlighted in the recent media reports, however it is important to consider that not all mobile traders are offending. We have been very pleased to see the Minister of Commerce and Consumer Affairs acknowledge this in recent media interviews.

"The FSF has reservations about the idea of a blanket ban on providing financial services to mobile traders, as such an approach assumes that all players in the industry are the same – they are not.

"When provided ethically and responsibly, this model works as a valuable retail option for people who for one reason or another have difficulty getting themselves to a traditional bricks and mortar store during standard opening hours, or for one reason or another feel more comfortable purchasing items from their own home.

"Unfortunately, it is the actions of non-law abiding and unethical truck shops, many of whom go under the radar in white vans, that are tainting the industry and need to be put out of business. But this is the job of the Commerce Commission, and we support them one hundred per cent in doing so.

FSF has one mobile trading member, Home Direct, which was in July 2017 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). It sells a range of products from clothing to whiteware and electronic but does not sell food.

The FSF is urging consumers to take advantage of its *Responsible Mobile Shop Code* to help separate a responsible trader from an irresponsible one.
The Code is to help arm consumers with valuable knowledge if they choose to deal with a mobile trader and was developed with consultation from the likes of disputes resolution services and the National Building Financial Capability Charitable Trust.

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 Responsible Mobile Shop Code can be downloaded from the Financial Services Federation's Consumer Information section on its website here.

It can also be downloaded in PDF here.

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.

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