

## Pānui August 2020

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## Message from Tim

A few days ago, I would have written about the memories of lockdown. Of how it contained more than a few Groundhog Day moments, as our daily routine, the 1pm news conferences, the trip to the supermarket and the end to end Zoom calls merged one day into another. And recalling that our autumn round of regional hui was cancelled as we entered lockdown.

Now the fear, and the lockdown process, has returned for many. It is very tough. The team of 5 million have achieved so much. Local budget services have hung together through a tough and testing period, learning all along the way. We were all looking ahead cautiously, nervously even, for an explosion in demand, for new types of client need, for yet more undeniable evidence of the crucial importance of financial mentors. Yet, on top of all that, the reality of level 3 – 4, even – has returned.

As I write we are looking at what this means for the forthcoming Regional Hui. As you know, FinCap works side by side with the 200 local services; we are always thinking how we can perform that role more effectively. Our plan for this round of hui is to explore the idea of partnership and what that looks like to tackle the current challenges and opportunities for our sector. This work remains vital, and we are working on a Plan B for the Regional Hui we won't be able to do in person.

We have decided to postpone the Auckland and Whangarei Regional Hui and are offering an online meeting opportunity instead. We are seeking your feedback on whether they should proceed face to face meetings if the rest of the country remains at Alert Level 2. More details are in the article about the Regional Hui below.

For those of you on the front line in this new outbreak, our thoughts are with you.

## COVID-19 Guidance

We have reissued our COVID-19 Guidance for local financial capability and budgeting services. You can download the guidance on Te Papa Hou through the following link.

<https://tepapahou.co.nz/article/guidance-for-financial-capability-and-budgeting-services/>

## Reminder about COVID-19 website Financial Support page

The Government's COVID-19 website has lots of information about the financial support available to people impacted by COVID-19

<https://covid19.govt.nz/business-work-and-money/>

The COVID-19 website also has a tool to help people identify what supports they are entitled to.

<https://covid19.govt.nz/business-work-and-money/financial-support/covid-19-financial-support-tool/>

# Register for the Spring 2020 Regional Hui – COVID-19 updates

## Impact of Alert Level 3 in Auckland

We have decided to postpone the Regional Hui in Auckland and Whangarei based on the Auckland region going into Alert Level 3. The Whangarei meeting has been postponed because of the need to travel through Auckland to get to Whangarei.

We will be offering a Zoom meeting instead between the 1<sup>st</sup> and 3<sup>rd</sup> of September. We will email details out through our newsletter list and everyone who has registered when this is confirmed.

## Impact of Alert Level 2 around New Zealand

In the next few days, we will be deciding about whether the other Regional Hui around New Zealand can proceed depending on announcements about Alert Levels in the next few days.

### Feedback request

Assuming all regions outside Auckland remain at Alert Level 2, please let us know if you would prefer a face to face meeting (with social distancing) or Zoom meetings and presentations instead?

Email [clare@fincap.org.nz](mailto:clare@fincap.org.nz) with your feedback.

**Please keep an eye out for announcements about possible postponements or alternative online arrangement.**

## Regional Hui information

**In the meantime, here is the current information about the Regional Hui.**

The agenda has been shaped by the challenges and opportunities they are presented by COVID-19 and the very significant funding increase for the 131 MSD funded services.

We will be discussing how we can collectively make the most of these opportunities, for our clients and for the future of the network.

As we all await the full impact of economic downturn, we are grabbing the moment to suggest something new – a partnership between your service and FinCap to see us through the next two years and beyond.

Like any successful partnership that means a bit of give and take on both sides, with the promise of great things to come.

Come along and find out more!

## Dates and locations for the Regional Hui

### Times

Doors open 8.30am

Programme starts 9am

Programme finishes 4pm

| Date                         | Region                       | Location   |
|------------------------------|------------------------------|--|
| Monday 24 August             | Wellington                   | Pelorus Trust Sports House,<br>93 Hutt Road,<br>Gracefield, Lower Hutt                 |
| Tuesday 25 August            | Hawkes Bay                   | 56 Tait Drive,<br>Greenmeadows,<br>Napier  |
| Wednesday 26 August          | Rotorua                      | Family Focus,<br>1115 Pukaki Street,<br>Rotorua  |
| Friday 28 August             | Whanganui                    | Trinity Methodist Church,<br>183 Wicksteed St,<br>Whanganui                            |
| <b>Tuesday 1 September</b>   | <b>Northland (Whangarei)</b> | <b>Postponed because of Alert Level 3. Online meeting option to be announced soon.</b> |
| <b>Wednesday 2 September</b> | <b>Auckland West</b>         | <b>Postponed because of Alert Level 3. Online meeting option to be announced soon.</b> |
| <b>Thursday 3 September</b>  | <b>Auckland South</b>        | <b>Postponed because of Alert Level 3. Online meeting option to be announced soon.</b> |
| Friday 4 September           | Waikato (Te Aroha)           | 5 Church St,<br>Te Aroha   |
| Tuesday 8 September          | Nelson                       | Saxton Pavilion,<br>142 Saxton Road (East),<br>Nelson                                  |
| Wednesday 9 September        | Christchurch                 | Christchurch Community House,<br>301 Tuam Street,<br>Christchurch                      |
| Thursday 10 September        | Dunedin                      | TBC  |

**Register here**

<https://www.fincap.org.nz/regional-hui-registration/>

**Location updates, the agenda and papers and the agenda will be posted on Te Papa Hou**

<https://tepapahou.co.nz/article/regional-hui/regional-hui-spring-2020/>

## Community Law Manual – applications open

Wellington Hutt Valley Community Law are currently doing pre-orders for the Community Law Manual (2020-21).

By bulk ordering through FinCap you can get better prices for the manual.

The prices with postage are:

- If FinCap receives more than 10 orders – \$142.50 (+GST)
- If FinCap receives more than 20 orders - \$132.50 (+GST)
- If FinCap receives more than 50 orders – \$122.50 (+GST)
- If FinCap receives more than 50 orders – \$107.50 (+GST)

The orders will be placed by FinCap in September 2020. We will send a confirmation to you before we place our final order. You will then be posted the Community Law manual from Wellington Hutt Valley Community Law.

Read more about what's new for 2020 and complete the form in the link using the link below order your Community Law Manual for 20202.

Invoicing and postage will be handled by Community Law.

<https://www.fincap.org.nz/order-your-community-law-manual/>

## Opportunity for our clients to participate in research about different types of consumer credit products

The Commerce Commission has asked Business and Economics Research Limited (BERL), an independent economics and business research consultancy based in Wellington, to undertake research on the different types of consumer credit products. This includes credit and store cards, personal and car loans, mortgages, pay-day loans, buy-now/pay-later schemes, and shop trucks that extend credit.

They are holding 90 minute focus groups in Wellington or Auckland in early September to hear people's experiences of consumer credit. The focus groups are confidential and personal details will not be disclosed. All focus group participants will receive a \$50 Countdown voucher.

This project has been reviewed by an external ethics advisor, and the research will be published later this year. The report will be publicly available on the Commerce Commission website, but participants will also be emailed a copy of the report if they wish.

Please forward the link below to your clients, for more information, and to register their interest for a focus group.

<https://www.berl.co.nz/research/consumer-credit-do-you-know-your-rights-and-responsibilities>

## Question about state housing tenants paying market rent but not eligible for accommodation supplement

Iain Davies from Care Waitakere has written to the Minister of Social Development about the situation of state housing tenants who end up paying market rent (or close to it) but are not eligible for accommodation supplement and are most often not able to transition into a private rental.

The Minister's response has been that if you are paying market rent in a social house you should find a private rental and free up social housing for those that need it.

Iain would like to go back to the Minister with some information from services to show the reality for those state housing tenants who are in paid employment.

If you have any clients getting income related rent but paying market rent, could you please send an email to Iain and answer the following questions:

- briefly describe your client's situation. (ie sole parent, working part time, 3 children)
- What factors are stopping them from renting a private rental?
- What effect does paying market rent have on their financial situation?
- Has the client considered reducing their hours of work to avoid paying market rent?

## Money Week Financial Resilience survey

FinCap and the Massey University Fin-Ed Centre are running a survey on financial resilience during MoneyWeek. The survey will be used to inform our understanding on financial resilience in the community at this current point in time.

Please share this survey with your team and clients. Respondents are eligible to win a \$25 grocery voucher for their participation. Click here for the survey <https://bit.ly/2DE6lPK>

## MoneyWeek 2020 – Just wondering

Money Week is a week-long public awareness campaign facilitated by the Commission for Financial Capability encouraging New Zealanders to think about their relationship with money.

### Money Week is from 10-16 August 2020

The theme for this year's Money Week is "Just wondering".

The theme is aimed at creating a safe, inclusive environment for Kiwis to reach out with the money questions they've been too afraid to ask.

As local financial capability and budgeting services this is a great opportunity for us to show our local communities the value of Financial Mentoring as a place to get trusted information and guidance to the wide range of questions including financial planning, debt management, KiwiSaver and more.

For more resources on Money Week visit, [www.sorted.org.nz/justwondering](http://www.sorted.org.nz/justwondering)

## Client Voices is live!

Thanks to your patience and support, we have successfully migrated all services from the old version of Client Voices to the new version.

There are now 122 organisations making the most of one of the most valuable tools in the New Zealand NGO sector. FinCap is privileged to be able to deliver to you a purpose-built client management system at no cost to your organisation.

## Development continues

There is still much to develop and improve on and we will continue to develop as much as we can.

Upcoming features include:

- Record food parcels
- Record client who has started insolvency (or similar)
- Log appointments

One of the most valuable parts of the full release is the feedback we receive from you. It helps us see what is important to you and informs how we prioritise our development.

We have already received heaps of amazing feature suggestions. If you have any feature suggestions, please log a ticket via the Client Voices support button.

## Support

Don't forget, you can access written support content from the Client Voices by clicking the Support button.



You can also see an overview of the support content [here](https://tepapahou.co.nz/article/client-voices-3/client-voices-support/).  
<https://tepapahou.co.nz/article/client-voices-3/client-voices-support/>

If you cannot find the answer to your question in the support content, please log a help ticket. You can do this by clicking the support button mentioned above.

If you missed the webinar, you can watch a recording of it [here](https://tepapahou.co.nz/article/client-voices-3/webinar/).  
<https://tepapahou.co.nz/article/client-voices-3/webinar/>

## Reminder about access to credit reports from Centrix.

Centrix, the only New Zealand owned credit reporting agency, have agreed to give Financial Mentors free access to credit reports for your clients.

Financial Mentors need to sign up to get access to the Centrix system by filling out a User Application form. Download this from our Resources page on Te Papa Hou under Budgeting and Client Management. <https://tepapahou.co.nz/resources/>

This is a one-off requirement. Applications for access to credit records needs to be sent to [creditreport@fincap.org.nz](mailto:creditreport@fincap.org.nz).

Turn around for access to credit reports is about 2 days.

FinCap will need to verify if you are a Financial Mentor through our database of Financial Mentors. We will then send your application to Centrix. If you are not registered with FinCap you will need to fill out a Financial Mentor Registration form: <https://www.fincap.org.nz/financial-mentor-registration/>

To access a client's credit record, your client will need to sign our new Privacy Waiver (with a tickbox about credit reporting). This can be downloaded on our Resources page on Te Papa Hou.

Accessing a credit report for your client does not affect their credit score.

## Reminder about accessing ERANZ power credits

138 financial capability and budgeting services have signed up to the Electricity Retailers Association of New Zealand Scheme power credits scheme.

The scheme gives access to \$120 credits to clients of financial capability and budgeting services that meet a set of criteria set by ERANZ.

While most services have signed up to the scheme uptake of the credits has been slow.

We encourage all Financial Mentors that are part of services that have signed up the scheme to apply for credits on behalf of their clients.

This is a unique opportunity to get money in the hands of our clients and it would be a shame if eligible people missed out.



## Credit workshops and webinars by the Commerce Commission in October and November 2020

The Commerce Commission is offering credit training sessions through workshops nationwide or by webinar for those unable to attend a workshop, COVID-19 Alert Level dependent.

**The training will focus on enabling you to better help your clients, what to look out for and what to do about the problems you encounter**

Registrations will open in September. There is no charge to attend workshop or webinar training sessions.

Topics include:

- Overview of the credit law changes and regulations
- What the changes mean for borrowers and their advocates
- Case study sessions and what to look out for
- How to help clients who are experiencing COVID related financial hardship
- The Commission's role and how we work the consumer advisory sector
- Your input into updating Red Flags – what's working, what's not
- Empowering advocates to share the range of issues observed in their roles
- Q&A interspersed throughout the training

Morning tea and lunch will be provided at the workshops.

The training will be held over the months of October and November on the following dates:

|                              |                           |
|------------------------------|---------------------------|
| <b>Training workshops</b>    | <b>10.30 am – 3.00 pm</b> |
| Dunedin                      | Tuesday 13 October        |
| Christchurch                 | Tuesday 20 October        |
| Wellington                   | Wednesday 28 October      |
| Auckland                     | Tuesday 3 November        |
| Hamilton                     | Wednesday 11 November     |
| Rotorua                      | Tuesday 17 November       |
| <b>Webinar presentations</b> | <b>10.30 am – 1.00 pm</b> |
| Via Microsoft teams          | Thursday 15 October       |
| Via Microsoft teams          | Thursday 22 October       |
| Via Microsoft teams          | Thursday 29 October       |

## Reminder about Hardship contacts

FinCap is building a list of contacts for Financial Mentors to use when they want to contact government departments or companies about issues that their clients are facing.

When we receive new information from companies or departments, we add them to this list.

The list can be found on Te Papa Hou under resources.

<https://tepapahou.co.nz/resources/>

# Banking Ombudsman Scheme Complaints Dashboard

The Banking Ombudsman Scheme has launched their new Complaints Dashboard.

The Complaints Dashboard shows an industry-wide picture of what's causing complaints and why. The information comes from banks.

The dashboard will:

- help customers understand which products and services most often lead to complaints
- help customers see how banks perform in responding to complaints
- help banks learn how to improve their products and services
- help us anticipate trends and offer timely advice
- help regulators monitor the soundness of the banking sector.

The dashboard will be updated every three months. Complaints information about individual banks will be available from February 2021.

The dashboard is interactive and we encourage you to click on different graphs for more information.

<https://bankomb.org.nz/complaints-dashboard/>

## Utilities Disputes 2019-2020 Annual Report

Utilities Disputes has released its 2019-20 Annual Report.

Link to Annual Report - <https://bit.ly/3gSRijr>

Link to media release on the Annual Report - <https://bit.ly/3kz6wfl>

7,815 people contacted Utilities Disputes last year with concerns or complaints about electricity, gas, water, or broadband installation on shared property. The Annual Report highlights a 17% increase in enquiries, and a 10% decrease in complaints.

Electricity and gas issues accounted for 6,968 contacts, followed by 460 about broadband installation on shared property, and 269 about water. With electricity and gas making up 84% of last year's complaints, bills were the most common complaint issue, followed by customer service, meters, disconnections, and supply.

In the current climate, access to free and independent services is vital. Thank you for your continued support and collaboration with Utilities Disputes.

# Commerce Commission news

Media Release

Issued 15 July 2020

Release No. 6

## **Commission takes High Court action against door-to-door retailer Ace Marketing**

The Commerce Commission has filed High Court civil proceedings against door-to-door retailer Ace Marketing Limited (Ace), alleging a number of breaches of the Fair Trading Act 1986 (FT Act) and the Credit Contracts and Consumer Finance Act 2003 (CCCF Act).

The Hamilton based company sold consumer goods – mostly consumer electronics products – via door-to-door sales agents.

The Commission alleges that between 1 April 2016 and 31 August 2018 Ace entered into approximately 4,100 contracts with customers. Customers did not receive products until they had made a specified number of weekly payments to Ace, and all versions of Ace's contract contained terms stating delivery of products would be delayed if customers missed scheduled payments.

The Commission's case is that:

- Ace breached the lender responsibility principles under the CCCF Act by failing to assist borrowers to reach an informed decision because the clauses that set out the delay in delivery when payments were missed were not plainly expressed, were likely to be misleading, deceptive or confusing, and were oppressive
- the contract contained unfair contract terms, as the delayed delivery provisions created a significant imbalance in the parties' rights
- the cancellation fees, which were a percentage of either the purchase price of the goods or the total price of the contract, were unreasonable.
- 

The relief sought by the Commission includes:

- declarations that Ace's conduct breached the FT Act and/or the CCCF Act and that the clauses in its contracts setting out the length of delay in delivery when payments were missed were unfair contract terms
- injunctions preventing Ace from providing consumer credit until its contracts are amended to comply with the CCCF Act, from unreasonably deferring delivery of goods, and from charging unreasonable fees
- refunds to customers of unreasonable cancellation fees, and costs.

As the matter is now before the Court the Commission can make no further comment at this time.

### **Finance company warned over repossession documentation and post-repossession charges**

Finance company Financial Holdings Limited (FHL) has been warned by the Commerce Commission that its repossession documentation and post-repossession charges likely breached the Fair Trading Act 1986 (FT Act) and Credit Contracts and Consumer Finance Act 2003 (CCCF Act).

FHL provides personal and commercial finance, focusing on personal loans for the purchase of second-hand motor vehicles. The Commission commenced its investigation into FHL in May 2018 after receiving a number of complaints from budget advisors about FHL's conduct.

The Commission investigated whether FHL was collecting or claiming interest and fees after the repossession and sale of secured property, and issuing repossession notices that did not comply with the CCCF Act.

In the Commission's view, FHL likely breached the FT Act and CCCF Act by charging interest and fees after the repossession and sale of secured property, and it has also likely breached the CCCF Act by:

- issuing repossession warning notices and post-repossession notices that did not contain all of the key information required under the CCCF Act
- failing to issue statements of account to borrowers within 7 days after the sale of the consumer goods.

"The law does not allow lenders to charge fees or interest after secured property has been repossessed and sold. Lenders and debt collectors must be familiar with the requirements of the CCCF Act and FT Act, and it should not take a Commission investigation for lenders to comply with those requirements. FHL co-operated with our investigation and advised us that it has changed procedures and documentation to ensure compliance with the CCCF Act," said Commerce Commission Chair Anna Rawlings.

From information provided by FHL, the Commission considers that 306 borrowers had interest and/or fees inappropriately added to their accounts after the sale of secured property. Customer files showed that FHL charged interest and fees from time to time on two complainant files for 18 years after the repossession and sale of secured property.

FHL has advised the Commission that it will review every loan where secured property was repossessed and sold since April 2014 and will apply credits or refunds where borrowers have been charged any interest or fees after the sale of the secured property.

## Dunedin Budget Service vacancy

Dunedin Budget Service is currently looking for a part-time, permanent Financial Mentor.

The job is being advertised on Seek -<https://bit.ly/3iF3hSf>

Applications close Wednesday 26 August 2020.

## Stories from the front line from the Manawatu Budget Service

### Financial Management Tools

Katrina\* is a 30-year-old Maori woman with three children who recently separated from her partner. Katrina lives with her children in a Housing New Zealand house and she receives the Jobseeker Support benefit.

Katrina said she has always struggled to pay her bills and day to day living costs. She visited Manawatu Budgeting Service (MBS) because, for the first time in her life, she is getting enough income to cover her needs with some left over. Katrina wanted to learn how to use her money more effectively. Her dream is to own her own home. Currently she has one bank account and has been treating herself by buying “extras” with whatever money is left in the account after the bills are paid.

MBS worked with Katrina to create a weekly budget based on her expenses. Part of the income was allocated to cover car maintenance expenses, the dentist and a clothing allowance for the children. The amount to buy groceries was increased so Katrina can buy more fresh fruit and veges to include in the family’s diet. With these changes there was still a budget surplus.

MBS suggested setting up a banking system using three bank accounts. One account to pay daily and weekly expenses like food and rent. A weekly automatic payment from this “Everyday” account goes into a second “Bills” account, and money accumulates there to cover her monthly and yearly bills, like power and car registration. Katrina’s weekly budget surplus is automatically moved to a third “Savings” account each week and left to accumulate.

This can be used to build an emergency fund, for short term goals like a new phone, and eventually for longer term savings goals. Katrina liked that this system gives her the security that her bills are covered while she saves a set amount each week.

Katrina is very excited to have a budget surplus and finds it hard to believe that not only will unexpected costs like car maintenance and the dentist no longer be nasty surprises, she is able to save too. Katrina now has financial management tools to use to support her future.

## **KiwiSaver Hardship**

A married couple in their late fifties visited Manawatu Budgeting Service (MBS) looking for advice. The husband finished work due to ill health and his wife was working part time on and off due to her health as well. They had previously applied to KiwiSaver Hardship and were granted \$1,800 each.

Their budget showed a deficit of over \$200 a week. MBS reviewed the couple's finances and considered several assistance options. It seemed the most suitable option was to reapply to Kiwi Saver. The couple felt there was no point; a lot of work for little return. MBS offered to help with their application by assisting to explain their situation and budget deficit (poor health, unemployed, debts), completing a Debt Schedule, writing down how the funds would be spent (pay rent arrears, power arrears, doctors bill, car insurance for one year and buy a caravan to live in as their rent was \$600 a fortnight).

The Kiwisaver Hardship team granted the couple \$15,000 each. The couple purchased a caravan and parked it next to their children's home. They enjoy spending time with their grandchildren, contributing day to the day to the family unit and of course being able to save money.

**We would love to share your stories from the front line in future newsletters. Please email [soraiya@fincap.org.nz](mailto:soraiya@fincap.org.nz) with your stories.**