

15th October, 2015

SACC Review Secretariat
Financial System and Services Division
Markets Group
The Treasury
Langton Crescent
PARKES ACT 2600
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Review of the Small Amount Credit Contract Laws

ABOUT MONEY3

Money3 Corporation Limited (incorporating Personal Finance Company and Cashtrain) is a consumer finance company with branches across Australia and a strong online presence focused on providing a service to customers traditional credit providers ignore. We believe that people are the best managers of their own lives and that everyone deserves a second chance.

Devoted to leading the transformation of the consumer lending industry in Australia, Money3 has been an advocate for the introduction of minimum loans terms and the introduction of a 200% cap that ensured lenders could not recover more than 200% of the amount lent, preventing a debt spiral and protecting the consumer.

Every customer is assessed based on their individual circumstances, and for over 80 years* we have assisted people from all walks of life in a variety of financial situations. Money3 provides both unsecured short term loans as well as secured auto finance from \$2,000 to \$35,000.

The recent report by RMIT University academics Marcus Banks, Ashton de Silva and Roslyn Russell quantified the market as being used by 1.1 million Australians and between \$800 Million and \$1 Billion in 2012. With close to 180,000 SACC loans made in the last financial year, we agree with the research findings put forward by NCPA and Coredata. The research, as well as publically available Money3 Investor presentations on the ASX website, illustrate that the viability and hence the supply of SACC Product is under threat in the medium to long term, with;

- a) Small Amount lenders barely in the black,
- b) Online lenders making a profit for 3 out of 8 quarters, and
- c) Large lenders reporting to be marginally more profitable, subsidising cost of SACC provision by sharing their cost base with other products.

*Personal Finance Company Est.1933

Money3 supports the submission made by our industry body The National Credit Providers Association Ltd (NCPA).

We would like to see the legislation protect borrowers from unscrupulous lenders. We look forward to current regulatory regime being simplified in a way that provides consumers with the same, or a higher level of protection, while reducing the regulatory burden on industry to ensure that it remains viable and consumers can still access credit.

Please do not hesitate to contact us if you have questions.

Yours Sincerely,



Scott Baldwin
Managing Director
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