

READ YOUR CONTRACT THOROUGHLY BEFORE YOU SIGN.

1. Read Fine Prints

Read the small prints carefully and if you are not sure, seek independent legal or financial advice before you sign.

2. Contracts with Blank Spaces

Do not sign a contract that has blank spaces - either cross them out or fill them in. If there are parts of the contract which you do not agree, cross them out; if parts you verbally agreed to are missing, write them in.

3. How much you have to pay and when?

Check the contract to know exactly the total number of payments that you will be making and when payment is due. Make sure this payment is within your budget.

4. How much interest is charged?

It is important to know how much interest you will be charged. Check whether the interest is **variable or fixed**. Ask the credit provider to show calculations for different variable rates to help you better understand your financial capability and obligation.

5. How much 'default fees' or 'default interest' will be charged?

Check whether your contract clearly states the default fee or interest that will be charged if you do not make your payments on time.

6. What action will the credit provider take if you have missed several payments?

It is important for you to understand what action the credit provider will take when several payments are missed. If you are not making payments, your products can be repossessed or your property will be placed on mortgagee sale.

7. What are the other fees you are being charged?

You must know what fees and charges you are paying with the money you are borrowing or when you are buying goods on credit. Ask for itemised fees or charges.

8. Will you be charged a fee for making payments before the due date?

Credit providers may charge a fee for early payment or an exit fee is applied if you wish to terminate the contract. This fee must be reasonable. You should only be charged a fee that reflects the credit provider's loss in the contract.

BE SMART

- **Shop around** for a cheaper credit deal, compare interest rates, fees and examine all the terms of the loan.
- **Ask questions** about the terms of the loan. Check the contract to CONFIRM that the terms you have discussed are clearly written in the loan documents.
- **READ THE ENTIRE CONTRACT.** Make sure you fully understand your financial obligations and all provisions of the contract before you sign.



To avoid Surprise, Frustration or Confusion READ BEFORE YOU SIGN!

For more information contact us today!

Suva Office (HQ) : Ming Building, 4 Carnavon Street | Private Mail Bag, Suva. T: (679) 330 0792, (679) 331 0183 | F: (679) 330 0115
E: complaints@consumersfiji.org | W: www.consumersfiji.org

Lautoka Office : Suite 4, Popular Building, Vidilo Street | P.O.Box 5396, Lautoka. T: (679) 666 4987 | F: (679) 665 2846 | M: (679) 926 2807. E: consumeritk@connect.com.fj

Labasa Office : Level 1, Lot 41 Raza Properties Limited, Nasekula Rd, P.O.Box 64, Labasa. T: (679) 881 2559 | F: (679) 881 2559 | E: colbs@connect.com.fj



This initiative is financially supported by the Government of Australia.



CONSUMER COUNCIL OF FIJI
MAKING CONSUMER VOICE COUNT



Are you Surprised, Frustrated or Confused?

Do you know exactly what you are paying for?

Have you thoroughly read your Credit Contract?

Do you know your financial obligations?

Make sure you READ BEFORE YOU SIGN a Credit Contract.

Ask For A Pre-Contractual Disclosure Before You Sign A Contract

The credit provider must provide you with accurate information in writing about what the loan will cost and your financial obligations before a contract is made and before you are expected to sign.

WHEN BUYING A HOME

Your Pre-Contractual Disclosure **MUST** tell you:

- Particulars of the housing property
- Address of the property
- Amount of money borrowed
- Annual interest rate
- Calculation of interest charges
- Default Interest Rate
- Total amount of interest charges payable
- Total period of payments for the loan
- Amount of each installment
- Number of installment
- Itemised credit fees and charges for borrowing
- When and how the house will be put on mortgagee sale



WHEN BUYING A MOTOR VEHICLE ON CREDIT

Your Pre-Contractual Disclosure **MUST** tell you:

- Particulars of your motor vehicle : mileage, chassis number, age of vehicle
- Registration Number
- When and how the vehicle can be repossessed
- If there any fees and charges for early payments
- Repair, maintenance service and availability of parts
- Freight charges if applicable
- Your financial obligations
 - Exactly what your repayments will be
 - How much interest you will be charged on your borrowing
 - What is the interest rate
 - How interest is calculated
 - What is default interest rate

DID YOU KNOW

- You can get your vehicle checked by LTA BEFORE you buy it
- You must receive a signed and stamped (Stamp Duties) copy of Bill of Sale

WHEN BUYING GOODS ON HIRE PURCHASE

Your Pre-Contractual Disclosure **MUST** tell you:

- Cash price of the goods
- If the goods are new or second hand
- Number of installments and amount for each installment
- Annual Interest rate and how much interest you will be paying
- How interest rate is calculated
- Breakdown of all fees and charges
- When and how the goods can be repossessed
- What is the period of warranty and the components of the goods which are not covered by the warranty
- Procedures in case of repairs or replacement of the goods
- Are the goods insured, if yes what is covered under the insurance

