

The Consumer Council of Fiji's Debt Management and Consumer Credit Advisory Service is pleased to present some Success Stories

Most of us borrow money to work towards improving our quality of life but how many of us can keep to the repayments?

Debt has led many to the brink of destruction, to such an extent that some lose just about everything they own, including their dignity. The lives of those trapped in unmanageable debt are a swamp of stress and emotional pain.

Well, the first – and for many the toughest – step towards financial freedom is to pluck up courage to ask for help. Everyone faces financial challenges at some point in their lives yet we on the whole are not comfortable about admitting our debt-dilemmas.

This is one of the key reasons why the Consumer Council of Fiji embarked on the setting up of its Debt Management and Credit Advisory Service to assist Fijians with their financial struggles. Our Debt Management and Consumer Credit Advisory Service is an integrated counselling service that empowers and assists consumers who are overwhelmed with debt.

This service was launched in September 2011 in the Central Division but by 2013, it had been rolled out throughout Fiji, providing an avenue to relieve many debt-stricken Fijian families.

Partnership with the European Union and the Australian Government

The Council worked with two donors, the European Union and the Australian Aid Agency, Australian Government to embark on projects dealing primarily with debt, and financial literacy not only on money matters but also on the Consumer Credit Act and the review of consumer protection laws in the country.

In early 2011, the Council signed an agreement with the Australian Government for a sum of AUD\$150,000 (approx. FJ\$270,411.80) for a project titled '**Consumer Financial Protection and Building Credit Competency for Vulnerable Groups**'.

The European Union had also supported the Council's cause in empowering consumers dealing with credit. Under the EU-funded project '**Strengthening Consumer Rights in Fiji and Eliminating Unfair Trade Practices through Advocacy and Enforcement of Consumer Protection Laws**', worth FJ\$430,713.06, the Council managed to review the existing

consumer protection laws with a view to lobbying for changes in the laws and to raise popular awareness of how they are protected.

The Council also produced two important brochures and posters – Read Before You Sign and Debt Management and Consumer Credit Advisory Service – to reach out to consumers. Educating the public is a crucial part of what the Council does.

Debt Management Statistics

Despite having a culture of keeping debts close to their chest, some consumers have overcome their reluctance enough to access our Debt Management and Credit Advisory Service over the period since its launch in 2011. Latest figures reflect the change in the mindset in consumers. However, there is plenty of room for us to conduct more awareness programmes to make consumers more conscious and assertive in controlling their affairs.

DEBT MANAGEMENT STATISTICS (Jan 2012 – Dec 2014)			
Year	Advice Sought by Consumers	Consumers Assisted for Restructure	Monetary Value ¹
2012	48	14	\$84,409.35
2013	50	21	\$216,325.48
2014	34	23	\$782,102.29
TOTAL	132	58	\$1,082,837.12

Note¹ the monetary value relates solely to the restructuring and consolidating of loan accounts.

Our Success Stories

These three case studies highlight how consumers have, in different ways, been able to negotiate themselves back into control of their debt. Their expressions of satisfaction speak for themselves.

Joji Koroi's ordeal

Filled with despair and believing there was no solution to his problem, Joji began to feel life wasn't worth living.

It was not an easy decision for Joji Koroi to give up his job to join his family business, not least because he already had a string of loans to pay off. As days passed by in the new work situation, Joji fell behind on his mortgage payments.

At the end of the day he needed money to repay the multiple loans

he had taken: a home loan of \$76,000, a personal loan of \$8,000 and six hire purchase accounts.

It was a stormy journey for Joji, his wife and two children. For Joji, it seemed that it was the end of his world when he simply could not meet his monthly financial obligation. But just in time, he learned about the Council's Debt Management and Credit Advisory Service. He visited our Suva office, requesting advice on whether and how loan modification was possible.

After going through number of sessions with the Council's debt management officer, over a period of two weeks, Joji saw some light at the end of the tunnel.

On-going mediation, submission of documents, endless phone calls and exchange of emails with Joji's banks and other credit providers, resulted in a three-month repayment holiday for his home loan and the modification of his hire purchase terms. This certainly brought relief to Joji and his young family.

Joji is once again in well-paid salaried employment and is now able to meet all his repayments in a timely manner.

In his words:

'It's been a hard road emotionally, physically and mentally. Debt is a nightmare. It can kill you if it becomes non-manageable. You lose your self-respect when you start getting default notices and phone calls. I have been in this situation. Had I not come to the Council for assistance, I may not be living to tell you my story today . . . I spent hours discussing my circumstances with the debt management officer at the Council, who met with the bank and the other credit providers to reach some resolution. Fortunately, I was given a three-month repayment holiday and my hire purchase accounts were restructured. I was able to survive the ordeal. I thank the Council for saving, not just my home, but my life . . . Vinaka Vakalevu.'

Kiran Lata

Widowed, unemployed, and deep in debt, Kiran overcame her pride and embarrassment to free herself from financial prison!



The past few years have been a financial struggle for Kiran, a 59-year-old widow from Tamavua. Unexpected medical bills and no permanent job left her in an unfamiliar negative situation with her creditor. She had a monthly repayment of \$262 to think about every month, for a personal loan she had secured with her bank in 2009.

Kiran's only source of income was her FNPF pension of \$300, which she received every month. After making her monthly repayment of \$262 to her bank, she was left with only \$38 to meet all other expenses for the month.

What can you do with just \$38 for thirty odd days? It was a never-ending challenge for Kiran to live within that \$38 budget. Her good days began when she heard about the Council's debt management service on Radio Fiji Two (FBC) talkback show.

At her next visit to the City, an excited Kiran brought her plea for help to the Council on 4 March 2013.

Our debt management officer acted quickly and managed in just eight working days to negotiate a solution with Kiran's bank to have her account restructured to a monthly repayment of \$175, leaving her with \$125 to meet other expenses.

Happy days were almost knocking on her doors – Kiran was able to make one manageable payment each month and was on a path to becoming debt-free.

Kiran's message:

'Not everyone is lucky to have a sound financial status, so some of us borrow to ease our hardship. Life becomes tough when you are making repayments and running a household as well. Financial institutions are not so accommodative to help, so where do you go for help? But I am so thankful to the Council's Debt Management Service. This sort of service was long overdue. I had no idea about account restructure and what rights I had under the Consumer Credit Act. After discussing my financial situation with the Council, I felt confident that the financial institution will assist me. My call to all consumers who are in my situation – please come forward and talk to the Council.'

Eseroma Cakaukevuya

Unemployed and drowning in debt, Eseroma struggled with immense anxiety, fear and despair.

When you don't have a job and you do have a family to feed and a loan to repay – life is filled with stress and emotional torture.

This is exactly what 47-year-old Eseroma Cakaukevuya of Rewa was going through – with his six hire purchase accounts with two different credit providers, bringing to \$417 the monthly repayments total to the two credit providers.

In July 2013, due to an industrial dispute, Eseroma, who was employed as a driver, became jobless. He suffered severe financial hardship and he was completely unable to keep up with his monthly repayments. He found some solace when he learned about the Council's debt management and consumer credit advisory service.

With much hope, Eseroma visited our debt management officer and after intense negotiation, which lasted some five working days, there was some positive outcome.

With the hardship provision in the Consumer Credit Act (1999),



the Council assisted him with negotiating a repayment holiday with the two credit-providers.

This is what Eseroma had to say:

'My advice to all those suffering in debt, is to access the Councils Debt Management Service. The Council is the right place to seek advice on how to cope with your debts. Besides, it is free! When you are burdened with debt, just talking to them helps. I can't tell you how wonderful it feels to be debt free.'

Amazingly, today, Eseroma has succeeded in clearing all his six credit accounts. He planned his payments well once his employer re-employed him. What he needed was time to organise his finances after he lost his job.

Changing financial behaviour will change consumers' lives—for good. Debt management is about one thing: consumers controlling their money. There is no magical or mystical formula to good debt management. The solution is common sense, strong will power not to go overboard, and having a management plan for the total money income and use.

No debt problem is unsolvable. The trick is to know how to work through the problem to get back on track. Sometimes just knowing where to turn for help makes all the difference. The Debt Management and Consumer Credit Advisory Service of Consumer Council of Fiji is standing there beside you, wanting to help. But you have to take the first step. We can do nothing until you ask.

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Debt Management and Consumer Credit Advisory Services

