

What we offer

The Consumer Council provides free debt management and consumer credit advisory services in Suva.

The Council will assist you with:

- Creating a payment plan to get your debt under control;
- Prepare and establish a budget;
- Credit advice;
- Facilitating dialogue between you and your credit provider, if need be; and
- Account restructure should you be in financial hardship.

Types of debts

The types of debts that are directly assisted by the Debt Management and Consumer Advisory Division include:

Unsecured debts - Any type of debt that is not protected by a guarantor or collateral.

Home mortgages - A loan that is secured by property or real estate.

Car loans - A loan a consumer takes to purchase a car.

Money lending - the practices of giving cash loans or supplying goods or services when the debt is repaid at a high interest over a short period.

Insurance - an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium.

$$\text{DTI} = \frac{\text{Monthly Debt Payments}}{\text{Monthly Gross Income}} \times 100$$

What you need to know

A low debt-to-income (DTI) ratio demonstrates a good balance between debt and income.

If your DTI ratio is 15%, that means that 15% of your monthly gross income goes to debt payments each month.

A high DTI ratio can signal that an individual has too much debt for the amount of income earned each month.

Typically, borrowers with low debt-to-income ratios are likely to manage their monthly debt payments effectively.

Banks and financial credit providers want to see low DTI ratios before issuing credit to a potential borrower.

The preference for low DTI ratios makes sense since lenders want to be sure a borrower isn't overextended meaning they have too many debt payments relative to their income.

Tips

Before taking a loan, hire purchase or signing up for an insurance policy, always remember:

All information must be disclosed to the consumers both verbally and in written form

A pre-contractual agreement must be provided to the consumer before signing. The consumer can take this home to read before signing.

After taking a loan, hire purchase or signing up for an insurance policy, always remember:

Consumers need to ensure the safekeeping of all documents. These include:

- Receipts
- Pre contractual agreements
- Loan agreements
- Hire purchase agreements

Good credit signs

Paying at least the minimum required payment
paying on time
never missing a payment
staying within your credit

Result

Easier to borrow money
No additional penalty fees
More money you'll keep in your pocket

Bad credit signs

paying too little
paying too late
missing payments
going over your credit limit
having too much debt

Result

Difficult to borrow money
you lose money on late fees
more money spent on finance charges

Consumer rights - financial services

Right to choose - consumers have the right to choose which type of credit mechanism they wish to take. This cannot be forced by any trader.

Right to be informed - consumers must be provided all information in relation to a loan, hire purchase agreement or insurance policy. This must be adequately explained and clearly stated in all documentation provided.

Right to redress - Consumers have right to repatriation or compensation for a wrong or loss created by the credit provider.



DID YOU KNOW?

- *You can calculate your debt to income ratio to determine whether or not it is feasible to take a loan from the bank?*
- *If customers feel they are at a brick of total loss - for instance, who are cash - stricken and are unable to meet their payments can apply Hardship Clause under the Consumer Credit Act 1999 and negotiate and restructure their payments with their banks or credit provider.*



PLEASE CONTACT US ON OUR TOLL FREE
NATIONAL CONSUMER HELPLINE 155

OR VISIT US AT:

Head Office
Level 5 Vanua House
Victoria Parade
Suva

Phone: 3300792/3310183
Email: complaints@consumersfiji.org

Lautoka/West
Suite 4 Popular Building
Vidilo Street,
Lautoka
Phone: 6664987
Email: consumerlkt@connect.com.fj
Labasa/North
Level 1, Lot 41 Raza Properties Ltd
Nasekula Road,
Labasa
Phone: 8812559
Email: colbs@connect.com.fj

Website – www.consumersfiji.org
Facebook- Consumer Council of Fiji
Twitter- @ConsumersFj

DEBT MANAGEMENT AND ADVISORY SERVICES

