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Consumer Council of Fiji



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PRESS RELEASE

Dodgy Practices by Central Finance Limited – A Worry

Credit institutions like Central Finance Limited (CFL) needs to be strictly monitored and taken to task by relevant authorities for continuously hoodwinking consumers. The Council is alarmed at the blatant disregard for consumer rights shown by CFL and believes that this is a serious issue that needs urgent attention as people continue to be cheated.

The Council has previously raised concerns about such credit providers who operate freely without being subject to any regulatory controls unlike those that comes under the ambit of Reserve bank of Fiji. The absence of supervision and regulations not only denies consumers their right but also have an unfair advantage over the licensed credit institutions that have to bear the costs of regulation.

Consumers currently dealing with or are thinking of dealing with CFL need to be careful as several complaints have surfaced against this unethical business in the last few years. From 2019 to date, the Council has received 22 complaints from aggrieved consumers. This is just the tip of the iceberg as there may be consumers who may not have reported the injustice done to them.

CFL provides personal loans and hire purchase on electronic goods, but has frequently engaged in unethical behaviour. In a recent case handled by the Council, a consumer applied for a \$600 loan however, the payable sum was overstated by \$1000. The consumer therefore, was paying \$80 extra per pay on his loan repayments due to CFL's error. He only came to know about the overpayments when he received his payslip. When the Council intervened, CFL acknowledged their error, however the reimbursement remains pending since December 2019.

Another complainant applied for a personal loan and had arranged for direct deduction payments to be made to CFL. Unfortunately, the loan was denied. Despite refusing the complainant's loan; CFL commenced deductions from the consumer's bank account. Upon seeking a refund for the deduction made, CFL advised the complainant to wait for another 15 days to process the refund. Further follow ups by the complainant proved futile. Thus, the complainant had no option but to resort to the Council in an attempt to seek a refund. Despite the Council raising the matter with CFL, the refund remains pending.

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There are also instances whereby CFL commenced with loan deductions without disbursing the loan sum into the consumer's account. Additionally, what startles the Council the most, is the way consumers are treated when seeking refund for over deductions. They are asked to pay an extra \$10 as refund processing fee for wrongful deductions. In others words, consumers were forced to pay for what Central Finance owes them.

The company was also in breach of Section 12 of the *Consumer Credit Act (1999)* by failing to provide proper disclosures of their terms and conditions at the time of borrowing.

These issues raise the need for proper monitoring mechanisms for financial institutions. A lack of policing will continue to let the issue fester and it is consumers who are at the losing end. The Council urges relevant authorities to look into the issue to ensure consumer concerns are looked into and dealt with appropriately.

The Council is gravely concerned that more consumers may be affected by the dealings of this company but are reluctant to come forward with their complaints. As such, consumers who have faced similar experiences with CFL are encouraged to lodge formal complaints with the Council or call the toll-free National Consumer Helpline on 155.



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Ms. Seema Shandil
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