

Credit  
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The Credit Ombudsman urges borrowers affected by  
tragedy not to delay seeking financial hardship relief.

Victorian  
Bushfires

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## Media Release Issue 11

### **Credit Ombudsman urges borrowers affected by tragedy not to delay seeking financial hardship relief**

Mr Raj Venga, Credit Ombudsman, said this morning that “The human tragedy being experienced by ordinary Australians as a result of the horrific bushfires in Victoria and the relentless floods in North and North West Queensland will undoubtedly tip a significant number of borrowers and their families into severe financial hardship”.

“Loss of homes or businesses will severely impact on a borrower’s ability to meet their loan obligations. Likewise, the loss of income and the costs associated with death, injury, illness or unemployment in the family can dramatically limit a borrower’s ability to meet their loan repayments”, he added.

Mr Venga urged borrowers to approach their lenders without delay. “I’m confident that mortgage managers and non-bank lenders who are members of the Credit Ombudsman Service will do their utmost to assist their borrowers. This may include, for example, giving every consideration to postponing or reducing loan repayments, increasing credit limits where possible and deferring or waiving some fees for a period of time,” he said.

According to the Chairman of the Credit Ombudsman Service, Mr Graeme Matthews AM, “Our experience to date suggests that our non-bank lender members and mortgage managers are prepared to genuinely consider requests for variations”.

Borrowers should also consider approaching financial counselling services and community legal centres where invaluable services are provided to distressed borrowers.

“If a member of the Credit Ombudsman Service has declined or not responded to a request for a repayment variation on grounds of financial hardship, borrowers are urged to refer the matter to us without delay. The Credit Ombudsman Service has recently appointed a Case Manager whose role is dedicated to the consideration of complaints about financial hardship. She can be reached on 1800 138 422”, said Mr Venga.

The Credit Ombudsman Service recently released its new Guideline on Financial Hardship aimed at giving struggling borrowers a fair go. The new Guideline also draws on the Code of Practice of the Mortgage and Finance Association of Australia, which requires its non-bank lenders to actively assist borrowers in financial hardship.

#### **Editors please note:**

1. COSL’s Financial Hardship Guideline is at: [www.cosl.com.au](http://www.cosl.com.au) - see Guideline 16.
2. COSL is an external dispute resolution scheme approved by the Australian Securities and Investments Commission to provide consumers with an alternative to legal proceedings for resolving credit-related disputes with members of COSL.
3. For more information: Graeme Matthews AM - (08) 9840 8360 or Raj Venga - 0407 001 264