

Voluntary Consumer Protection Code for Credit Unions

MABS Submission To Consultation Paper CP32

Introduction:

We welcome this code and the fact that the principles that apply to the credit industry in general will now apply to credit unions as their members are entitled to the same protection. Please find below our response to your consultation document CP32.

Voluntary Codes:

We are of the view that voluntary codes without effective enforcement measures lose their effectiveness over time. If the code is to be effective it will require an even more robust supervisory regime than if it had a compulsory status.

Chapter 2

Access

2.7 There should be a requirement that a list of acceptable forms of identifications be displayed prominently in credit unions

Provision of Information

2.20 “A credit union must ensure that all printed information it provides to members is *written in plain English* and is of a print size that is clearly legible”. (see NALA recommendation)

Knowing the Member

2.22 Should this exemption apply as the member may have little or no choice and should have been given advice as to suitability/affordability?

Suitability

2.24 ... the refusal is noted on that members record *and the member must be notified*.

2.25 ... the credit union must note this on the members record *and the member must be notified*

In 2.24 and 2.25 it is necessary, in our view, for the member to be given a copy of his/her record where a refusal to certify accuracy has been entered. Otherwise refusals could be recorded when in fact information or certification was not requested of the consumer at all.

2.26 and 2.27 Should these exemptions apply as the member may have little or no choice and should have been given advice as to suitability and/or affordability particularly in relation to 2.26(ii) and 2.27(ii).

Unsolicited Contact:

2.29. We are of the view that unsolicited contact, made in the accordance to the code should reflect as closely as possible the normal working day plus a window for after work contact. As unsolicited contact includes debt collection (see 28 b) we are of the view that such calls should be between the hours of 9am and 7pm. Unsolicited Contact should also be confined to the business week as defined in 'Definitions' under "business day".

2.35 A requirement to have the complaints procedure displayed in credit unions should be included in this code.

Chapter 4

Payment protection:

4.6 We are of the view that a separate form should be required in order to enhance transparency

4.8 This warning should also refer to legal consequences