

Consumer leases

What do I need to know?

What is a consumer lease contract?

It is a contract where you rent a white good or other household goods. You do not own the good at the end of the rental contract, but in some cases you will have the opportunity to buy it.

How do I pay for a consumer lease?

You pay a fortnightly fee for the term of the rental contract.

Do I own the good I receive as part of a consumer lease?

No, you do not own the good during the rental contract or when the contract ends. In some cases you will have the option of buying the good at the end of the lease.

Can I pawn the good I have leased?

No, you cannot because you do not own it. If you have pawned a good you have leased, you should get legal advice immediately.

Do consumer lease companies have to assess whether I can afford to pay the money back?

Yes, they must look at your income and expenses to make sure you can afford the lease repayments.

Is there a limit on the number of consumer leases you can have at any one time?

No, there is no limit on the number of consumer leases you can have at any one time. However, each time you apply for a consumer lease the company has to assess whether you can afford the repayments without substantial hardship.

What happens to my payments if I lose my job or get sick?

You can ask the company for financial hardship help. This could involve reducing your payments until you get well or get another job.

Renting the good is very expensive. I pay way more than the value of the good. Is that okay?

Consumer lease companies are not restricted or capped in the amount of money they can charge you during the course of a lease.

Are there alternatives to consumer leases?

You may qualify for a No Interest Loan under the No Interest Loans Scheme. Visit www.nils.com.au/find to find your nearest provider.

What happens if I don't pay?

There is a risk the company could take you to court and list a default on your credit report.

Where can I get help if I have a problem with one of these contracts?

You can get help by calling:

- a financial counsellor on 1800 007 007
- Legal Aid Queensland on 1300 65 11 88.

You can also lodge a complaint with the Australian Financial Complaints Authority at www.afca.org.au or 1800 631 978.

For more information about entering a consumer lease, visit www.moneysmart.gov.au/borrowing-and-credit/other-types-of-credit/consumer-leases

For more information about our services call 1300 65 11 88 or visit legalaid.qld.gov.au or phone our Indigenous Hotline on 1300 650 143.

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