
23 October 2015

What was the ASIC Media Release about?

ASIC issued a Media Release on 22 October 2015 addressing compliance shortfalls and a license condition.

Green Light assures all past, current, and prospective customers that it takes responsible lending and its broader compliance obligations very seriously.

To clarify the Media Release, the issues raised by ASIC related to certain events that occurred around 2011 and were notified to affected customers at the time, and a few concerns in recent years. Green Light has since undergone a substantial people and process change. Now more than ever, Green Light has a strong compliance culture, and robust processes, which are being constantly reviewed and updated to ensure that all Green Light customers are looked after in the way intended by consumer laws.

Green Light is working cooperatively with ASIC on an ongoing basis, and has engaged external auditors to ensure it remains providing a compliant product to its valued customers.

Green Light believes in customer transparency, so is happy to share information about ASIC's concerns.

Advertising that could have confused

ASIC thought that certain Green Light advertisements published in around 2011 could have caused confusion about vehicle ownership at the end of a lease. Green Light offers 'consumer leases' which are regulated under the National Consumer Credit Protection Act (**NCCP**).

To remove risk from the consumer, NCCP consumer leases involve the consumer giving back the vehicle to the lessor at the end of the lease. The lease contract does not create a right or obligation to 'buy' the vehicle at the end of the lease. The consumer knows exactly what is due under the lease, and is not left with a lump sum residual or balloon payment at the end of the lease. Legally, they give the vehicle back in reasonable condition, and walk away.

However, sometimes consumers bond with their vehicle, and want to buy it mid way through the lease, or at the end of the lease. Consumers can actually ask the lessor if they can buy the vehicle at any time. This is a voluntary option, and not a legal right or obligation. It may involve terminating the lease.

Green Light wants its customers happy, so would rarely refuse any reasonable request to buy a vehicle.

Consent to enter property for repossession

An old version of a form relating to repossession was included in the contract, but this was corrected in 2014, and was not relied upon to our knowledge to actually repossess a vehicle. We have also replaced our agents involved in repossessions to strengthen compliance. The NCCP describes a process that must be followed. Entering premises without consent is not acceptable without a court order.

Other

ASIC also had concerns about the strength of certain record keeping and responsible lending processes, but again, we have promptly strengthened all of our processes, and implemented an independent credit team to add further rigour.

Green Light values all of its past and current customers, and would love to hear from you if you have any questions about your lease or this clarification. Please call us on 1300 081 488 at any time. Otherwise, with the silly season approaching, be extra careful on the roads, and **happy driving!**