

Consumer Action asks Tribunal to stop ‘buy now pay later’ solar rip offs

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Today the Australian Competition Tribunal will commence hearing arguments on the New Energy Tech Consumer Code (the Code), the proposed industry code for new energy technology such as solar panel sales and installations. The Tribunal will focus on the use of buy now pay later (BNPL) finance in sales of new energy technology.

Consumer Action Law Centre is representing the interests of consumers, making the case that solar panel retailers offering BNPL finance have engaged in predatory unsolicited sales practices, signed up people to unaffordable finance arrangements and inflated the cost of solar panels.

“Solar panel retailers that commit to this Code shouldn’t be using this type of unregulated finance, and that’s what we are arguing at the Tribunal,” said Gerard Brody, CEO of Consumer Action Law Centre.

“Our submission includes cases where people have been ripped off by salespeople spruiking solar panels with buy now pay later finance, including people signed up to finance without their knowledge, that turned out to be more expensive than they were led to believe or was simply unaffordable. The evidence before the Tribunal also reveals that Australians purchasing solar panels using buy now pay later finance may have been significantly overcharged for their solar energy systems.

“It’s tragic that at a time when we need reliable, affordable and renewable energy more than ever, unregulated buy now pay later schemes are doing damage to people and in so

doing undermining confidence in the very industry they purport to promote.

“Buy now pay later finance providers are not regulated the same way as other credit providers. They aren’t required to assess if the loans – sometimes in the tens of thousands of dollars – are really suitable or going to cause people substantial hardship or make them overindebted,” said Mr Brody.

“This Code has the potential to offer important protections to people buying solar panels, but we also need to see law reform more widely to address the broader problems with buy now pay later finance. Simply put, buy now pay later products are loans and need to be regulated like other consumer credit products,” said Mr Brody.

Read our public submissions to the Tribunal [here](#).

The Tribunal hearings are scheduled for 9 to 12 June 2020. To view the hearings, contact the Tribunal: <https://www.competitiontribunal.gov.au/contact>.

ENDS

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