



Keeping track

David has an account with the local shop to buy items on credit. David wasn't sure how much he owed, the cost of the items he had bought or what had been put on credit during the week. He asked the trader how much he owed but the trader wasn't sure and had no records of what was booked-up. David decided that he was not going to pay the amount the trader said he had to pay. There was no proof of the amount owed. The trader had little chance of recovering the money from David. He had not issued receipts, kept accurate records of things he had bought or given David a statement of the amount owing. The trader should have kept accurate records of all David's transactions and made them available when asked.

If things go wrong

If there is a problem with your book-up account, follow these steps:

1. Try and work it out with the trader.
2. Show the trader copies of the receipts that you have kept as proof of purchase.
3. If you can't come to an agreement contact an Aboriginal enquiry officer on **13 32 20** or visit your nearest Fair Trading Centre. We can help mediate between you and the other party.
4. If the matter is not resolved you may be able to take it to the Consumer, Trader and Tenancy Tribunal.

Office of Fair Trading – What we do

- Shopping and credit
- Business names and licences
- Renting, buying, selling a home
- Co-operatives and associations
- Home building and renovating
- Trade measurement
- Strata and community living
- Product safety
- Retirement villages
- Resolving disputes

www.fairtrading.nsw.gov.au **General enquiries 13 32 20**

Ask to speak to an Aboriginal enquiry officer

TTY 1300 723 404 for hearing impaired

Please note: this brochure may contain photos of deceased people.

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Book-up



Book-up is short-term credit the trader gives you that lets you buy goods or services from their shop and pay them later. You may need to leave some form of security like your debit or credit card or sign a form for a direct debit from your bank account to the trader. This is so the trader can be sure that the money will be repaid. Some shops charge you a fee for book-up and some don't.

Advantages of book-up

Book-up can help you manage your money:

- You can access credit between payments.
- You don't have to carry cash with you.
- You can spread your purchases across the week.

Disadvantages of book-up

There are disadvantages in using book-up:

- It can be easy to get into too much debt.
- There may be high fees for using book-up.
- You may have a lack of choice in shopping outlets.
- Shop keepers may keep poor records of your purchases.
- There is a risk of theft, fraud and unfair conduct.

Checklist for customers

When you set up a book-up account make sure you:

- get the terms and conditions in writing
- know when you have to pay the bill
- understand any fees and interest that may apply
- keep a copy of the agreement and all receipts
- have access to check your account records
- don't give the shop your PIN number
- confirm that your records will be confidential
- are clear about who can use your book-up account
- don't buy things you don't really need, it can be hard to get out of debt.

Jill's corner shop

Jill had been booking-up items with a corner shop. When she went to check how much her account was she questioned why her bill was so high. The trader told her he had been letting her relatives book-up on her account. Jill told the trader that she was not responsible for the items that she had not authorised. The trader said she was. Jill told the trader that she gave approval only for her daughter and aunty to book-up on the account. Jill was able to show the trader her copy of the letter stating who could use the account. The trader still wanted the full amount owing from Jill. Jill contacted the Office of Fair Trading to get information on how to solve the problem. A Customer Service Officer was able to help her resolve the matter with the trader. This was possible because Jill had kept all her receipts and the agreement she had with the trader.



Checklist for traders

You should ensure you follow these steps when setting up book-up accounts for your customers:

- Give the customer a written agreement that includes terms and conditions and any interest or charges that apply (make sure you have written authority for others who may use the account).
- Do not ask for or keep customers' PIN numbers.
- If fees and charges exceed 5% of the credit amount and interest applied exceeds 24% per annum of the amount payable, and the loan is for longer than 62 days, then the Consumer Credit Code applies. For more details visit www.fairtrading.nsw.gov.au or contact Fair Trading on **13 32 20**.
- Display a copy of the conditions in the shop so people are fully aware of them.
- Provide copies of receipts/statements showing details of the goods and services provided, including the date, item/s purchased and who bought them.
- Keep accurate records, give itemised receipts, and display prices.
- Keep any customer cards or banking information secure.
- Keep all records in a safe place.

Traders must take care about demanding security as it may, in certain circumstances, be unacceptable conduct under the *Fair Trading Act 1987* (or the *Trade Practices Act 1974* in the case of corporations). For example, if the trader is abusing their bargaining power or placing pressure on their customer to give some security.

QUICK TIPS

- Set a maximum limit for book-up.
- Ask a friend or family member to help you keep your records up to date.