

Glenn's story

Glenn bought a new fridge for \$2000 on a 24-month interest free deal with regular monthly repayments. He only paid the minimum repayments listed on his statement. At the end of the 24-month period he still owed over \$900 plus he had to pay interest on it at 29%. Glenn decided to increase his payments to \$60 per month but it still took him more than a year to pay off and cost him over \$430 in interest and fees!

ALWAYS REMEMBER:

- Pay off the deal before the interest free period ends or you could end up paying up to 30% interest.
- If you forget to make repayments or miscalculate what you owe, it could end up being a very expensive deal.
- Make sure you read your contract carefully before you sign up.
- **Interest free doesn't mean cost free - you will have to pay fees and charges.**

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

Language assistance 13 14 50 (*ask for an interpreter in your language*)

TTY 1300 723 404 for hearing impaired

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Government

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Interest free deals

10 things you should know...



NSW OFFICE OF
Fair Trading
DEPARTMENT OF COMMERCE

for consumers
& traders

www.fairtrading.nsw.gov.au

Before you sign up to an interest free deal you should be aware of the following:

1. Is this the best deal I can get?

Don't just shop around for the goods you want to buy, you should also shop around for the finance. You may get a better deal at another shop.



2. What are the fees and charges?

While the advertising may say in big print that there is no interest, no deposit or nothing to pay, the small print will probably have a number of fees and charges, such as an establishment fee, monthly account keeping fees, payment method fees and late payment fees.

3. What type of interest free deal am I signing up for?

There are generally two types of deals: deals with regular monthly repayments (instalments) and deals where you buy now and pay later (repaying before the end of the interest free period). Make sure you know what type of deal you are signing up to. If you don't make the repayments when required, you could end up paying late fees and interest.



4. When does the interest free period end?

It is important to know when you should make your final payment. Check your paperwork or contact your lender to find out.

5. How do I pay off the deal in the interest free period?

If you need to make regular repayments you should calculate these yourself including the fees and charges to ensure you can afford them. The minimum repayment suggested by the credit provider will probably NOT pay off the deal in the interest free period.



6. How do I change my direct debit payment amount?

If you are paying by direct debit and want to increase your repayments or make additional payments you will need to contact the lender.



7. What will my final payout figure be?

This won't be on your paperwork. You will need to call the lender to find this out before you can pay out the deal. The final payout figure may be more than you think because of the fees and charges.

8. Do I need another credit card?

Most customers are sent a credit card with their interest free deal to encourage them to buy more items. Be careful using this card as it may have higher interest than other cards on the market.



9. If I have more than one interest free deal which deal will my repayments go towards?

If you have multiple deals with different interest free periods your repayments might not go towards the item you want to pay off first. If this happens you will need to ring the lender to ensure your payments go towards the deal you want.

10. What if I have problems with my interest free deal?

Call the interest free deal lender first. If you can't resolve your problem call Fair Trading on **13 32 20** or visit www.fairtrading.nsw.gov.au

