

# STANDING COMMITTEE OF OFFICIALS OF CONSUMER AFFAIRS

## CONSUMER CREDIT CODE

### STATEMENT OF ENFORCEMENT POLICY

#### VALUATION FEES

The *Consumer Credit (Queensland) Amendment Act 2002* inserts into the Consumer Credit Code a new Part 9A, which provides for the mandatory disclosure of comparison rates:

- in advertisements for fixed term credit which feature an annual percentage rate, and
- in comparison rate schedules which are to be made available to consumers.

Section 33F of the *Consumer Credit Amendment Regulation (No. 1) 2003*, which sets out the formula to be used to calculate comparison rates, provides that the calculation is to include all credit fees or charges that are ascertainable at the time the comparison rate is disclosed, other than government fees, charges or duties.

Questions have been raised regarding whether valuation fees which vary according to customer circumstances should be included in the comparison rate calculation if the exact amount of the fee to be charged is not known at the time the comparison rate is disclosed.

The Standing Committee of Official of Consumer Affairs (SCOCA) has agreed to the following enforcement approach by government consumer agencies in relation to this issue:

**Where there is no uncertainty over whether a consumer will be charged a valuation fee, but the exact amount of the fee is not known at the time a comparison rate is disclosed, a reasonable estimate of the likely valuation fee is to be included for the purposes of calculating the comparison rate.**