

# Dealing with book up: key facts





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# About this booklet



This booklet is for anyone who wants the key facts about options for dealing with book up, including Aboriginal and Torres Strait Islander community leaders, financial counsellors, community workers, government agencies, local banks and credit unions, store managers, other private businesses, and non-government agencies.

It gives information about:

- ❑ dealing with book up problems
- ❑ alternatives to book up, including savings plans and affordable credit
- ❑ PINs and passwords
- ❑ the law, and
- ❑ where to get more help.

This booklet has been produced by the Australian Securities and Investments Commission (ASIC), in consultation with the Australian Bankers' Association and the WA Department of Commerce.

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# About book up

## What is book up?

'Book up' is informal credit offered by stores or other traders. It allows people to get goods or services and pay the store or trader later.

Book up is also known by a number of other names, including 'book down', 'on the tick', 'on the slate', 'running a tab' or 'tiki'.

Some stores charge the consumer a fee, or charge more for goods that are booked up, and some do not.

## Why is book up popular?

- ☑ It is a source of credit in between payments.
- ☑ It is often the only source of credit in remote communities.

## What are some common problems?

- ☑ Risk of theft, fraud and unfair (or unconscionable) conduct, especially if the trader has asked for 'security' such as the consumer's ATM card and personal identification number (PIN) or other income-related security.
- ☑ Lack of choice if the consumer's ATM card is left with a store or trader because the consumer can't use it at an ATM or at other stores.
- ☑ Risk of confusion if records of transactions are not kept carefully and openly.
- ☑ Too much debt for consumers and stores.
- ☑ High fees for book up or higher charges for booked-up goods.
- ☑ Risk of the trader breaching the rules about the sale of alcohol.

## What is 'security' for book-up debt?

Traders often want some kind of 'security' when they offer book up. 'Security' means something the consumer gives the trader, so the trader can be sure they will be paid for the goods or service. It is common practice, but it can cause serious problems for consumers, particularly when the security is linked to their income.

## Serious risks with income-related 'security'

If a trader wants security which gives them direct or indirect access to a consumer's income, the consumer may not be able to properly manage their book up repayments and risks losing control of their money. Some examples include asking consumers to:

- ☑ leave their ATM card and disclose their PIN. **Consumers should never tell their PIN to a store or trader.**
- ☑ have their Centrelink cheque sent direct to the trader
- ☑ sign a form to allow direct debit of money from their bank account
- ☑ set up a Centrepay deduction from their Centrelink payment.



## Are there rules for book up providers?

Book up is a special agreement between the consumer and the store or trader. A range of laws apply to stores and trading activity. These are summarised below and explained in more detail on pages 17–18 >>

### Consumer laws

A number of different laws apply to stores and traders. These include laws that set rules for the way goods are stored, priced and displayed. These laws are generally enforced by state and territory consumer affairs agencies, and the Australian Competition and Consumer Commission (ACCC).

Laws also prohibit misleading and deceptive conduct, unfair contract terms and unconscionable conduct. These laws are administered by ASIC, the ACCC, and state and territory consumer affairs and fair trading agencies.

*FairStore* is an ASIC/ACCC guide to some of the laws applying to stores. It is available at [acc.gov.au](http://acc.gov.au).

### Credit laws

Depending on the way book up is provided, it may be a 'credit activity' as defined by the National Credit Act and regulated by ASIC. The National Credit Act requires credit providers to comply with licensing and responsible lending requirements, and belong to an approved external dispute resolution (EDR) scheme. If you have questions about book up and store practices, contact ASIC's Indigenous Outreach Program helpline on 1300 365 957.

Even if the National Credit Act does not apply to a store's book up arrangements, other laws still apply.

### Contracts of employment

If a trader is operating book up in a store located on Aboriginal-controlled land, or if the store is controlled by the

community, the community has a say in how book up operates and how the store is managed.

If the store manager is employed by the community organisation, the contract of employment can include terms for management of the store, including terms for the operation of book up. If the store manager doesn't follow the terms of the employment contract, the community organisation (the employer) can enforce the specific terms of the contract, which might include terminating the store manager's employment.

### ePayments Code

Banks provide stores and traders with EFTPOS services. The ePayments Code requires banks to prohibit stores and traders who operate EFTPOS from holding a consumer's PIN or password.

### Laws about the sale of alcohol

States and territories administer rules and licences for the sale of alcohol. If the book up trader has a liquor licence, the agency or department that regulates the sale of liquor in the trader's state or territory sets out the rules that apply to sale.

### Outback Stores

Outback Stores manage many stores in rural and remote areas of the Northern Territory, South Australia and Western Australia. Book up is not permitted in stores managed by Outback Stores.

# What to do about book up problems

## If the trader or store does not give people receipts ...

A receipt (proof of transaction) must be provided for goods or services totalling \$75 or more (excluding GST). Find out more from the ACCC or your local fair trading or consumer affairs agency.

- Ask the trader to give receipts to customers. Explain to the trader that it's important to have records of transactions so people can keep track of their spending.

## If the store or trader wants to know people's PINs or passwords...

- Find out who the trader banks with, and complain to the bank.
- If you are not happy with the outcome, contact the Australian Financial Complaints Authority on 1800 931 678, or ASIC.
- See the information about looking after PINs and passwords on pages 6-7 >>

## If the community controls the store and needs a good manager ...

- Use the sample contract terms and guidelines relating to book up as a basis for drawing up the store manager's contract of employment. See pages 19-20 >>
- Contact ASIC to talk about the way the store operates book up and to see if the National Credit Act applies. If it does apply, then ensuring compliance with the National Credit Act can be added to the store manager's duties and incorporated into the manager's contract of employment.

## If people want to stop bad book up ...

- Read the rest of this booklet for ideas.
- Talk to other communities that have improved their book up and store policies. Would these improvements or policies work for your store?
- Report bad book up to ASIC, the ACCC or your local fair trading or consumer affairs agency.
- Talk to the trader about providing receipts to consumers.
- Talk to the police if you suspect illegal conduct.
- Talk to ASIC if consumers suspect unfair (or unconscionable) conduct or a breach of the National Credit Act.
- Financial counsellors and Centrelink's Financial Information Service officers can also assist in making good decisions about money, and improving consumers' financial skills.
- Read *Dealing with book up: a guide*, which is a comprehensive resource that has case studies, examples of useful documents and resources, and lots more information about alternatives to book up. It is available on ASIC's MoneySmart website, [moneysmart.gov.au](http://moneysmart.gov.au).
- Access other options and resources. See page 21 >>



## What to do about book up problems

### If people have too much debt ...

There are rules for debt collection, and consumer agencies can help if people feel they are being treated unfairly.

ASIC regulates credit and financial services. ASIC's consumer website has lots of information and tips on what you can do about problems with money. Go to [moneysmart.gov.au](http://moneysmart.gov.au), look for the Aboriginal and Torres Strait Islander flags and click on the Indigenous link.

Consumers can also get free help from a financial counsellor, Financial Capability Worker, MoneyBusiness Worker or Indigenous Money Mentor. We call these workers Money helpers. They can help with drawing up a budget or a repayment plan, or help work out if income can be increased or spending cut down.

- ▣ To speak to a financial counsellor, call the National Debt Helpline on 1800 007 007 or go to [ndh.org.au](http://ndh.org.au). To find one near you, use the financial counsellor online search at [moneysmart.gov.au](http://moneysmart.gov.au).
- ▣ A person might be entitled to a pension, benefit or other government assistance, including emergency relief. Centrelink and their Financial Information Service officers can help.

Encourage people to work out how much money they need each week and what they can really afford to pay. Try talking with the store manager or trader and agree on a plan for repaying the debt.

A budget planner can help people work out where their money goes and how they might get it under control. See the budget planner on *pages 15–16 >>*

## Looking after PINs and passwords

One of the most serious problems with book up is that some store owners ask customers to tell them their PINs.

'PIN' stands for 'personal identification number' and it is provided by banks and credit unions as a security measure for consumers to use when accessing their accounts. Other people can't access money in the consumer's bank account without the PIN.

### Should people tell a store or trader their PIN?

No. Consumers should not tell their PIN to a store or a trader. When the bank or credit union gives a consumer an ATM card to access their money, they strongly suggest the consumer keep their PIN secret so their money is safe.

### Do people have to keep their passwords secret too?

If a consumer has access to telephone or internet banking, they will have 'log in' details (such as a client number, access number, customer ID, user name or other) and a 'password'. These must be kept secret so that their account is secure and no-one else can access their money.

### How can people keep their PIN and password secret?

Here are some tips to help people keep their PIN and password secret:

- ❑ Memorise the PIN or password. Don't tell it to anyone, including family and friends.
- ❑ Never write the PIN or password on an ATM card or papers used for banking.
- ❑ Don't write the PIN or password on something that's kept near the card (such as a purse, wallet or in an address book kept with a card).
- ❑ If the PIN or password is written down, try to disguise it somehow.
- ❑ When choosing or changing a PIN or password, choose something that people can't guess (for example, don't use numbers like your birthday, address or phone number).
- ❑ When using an ATM or EFTPOS machine, try not to let anyone see the PIN.
- ❑ When logging into telephone or internet banking, try not to let anyone see or hear the password.
- ❑ Check bank statements regularly.
- ❑ Let the bank or credit union know straight away if someone might have used the card or PIN without permission.

### Why should PINs and passwords be kept secret?

PINs and passwords need to be kept secret to protect the consumer's money. If consumers tell people their PIN or password, including family and friends or store managers, they might access the bank account and make transactions without the consumer's permission.

If only the consumer knows the PIN or password, no money can be taken from their account by anyone else.

**People should never give their PIN or password to a store or trader.**

## Looking after PINs and passwords

### What happens if a person tells someone their PIN or password and money is taken from the account?

The first thing a consumer should do if money is taken from their bank account without their permission is contact their bank, credit union or other financial institution.

If the consumer has not told anyone their PIN or password, the bank or credit union will generally help the consumer get their money back.

But if the consumer *has* told someone their PIN or password and money is taken from the bank account, the bank or credit union may not help the consumer get their money back. The bank or credit union might say that the consumer did not keep their part of the agreement for use of the card, internet or telephone banking service because they did not keep the PIN or password secret.

### What should people do if they have told someone their PIN or password?

If a consumer has told someone their PIN, they should contact their bank or credit union straight away to tell them someone knows their PIN or password. They should ask the bank or credit union to change their PIN. The bank or credit union can send a new PIN to the consumer. While the consumer is waiting for a new PIN, the bank or credit union can make sure the card is not being used by putting a 'stop' on it.

Some ATMs allow customers to change their PIN, so the consumer can try to change their PIN at the nearest ATM.

Another option is for people to contact the bank or credit union, cancel the card and apply for a new one. The consumer will then get a new PIN for their new card. This can take a few weeks and may require proof of identity.

Before ordering a new PIN or cancelling a card, people should think about how they will access their money if they have to wait for a new card or a new PIN.



## Thinking about book up



### Limiting book up

Setting rules up-front about book up is one way to stop problems with debt for consumers and traders.

#### **Rules for limiting what people can spend**

Some stores and traders set a limit on book up, such as \$20 or \$50 per fortnight. Once the limit is reached, the consumer has to repay the debt before more goods or services can be booked up. Some stores only allow book up one day a week.

#### **Rules for limiting who can use book up**

Some stores and traders only allow elderly people, pensioners or organisations to use book up.

#### **Rules for limiting what can be bought and sold**

Some stores and traders only allow people to book up bread, milk, meat, vegetables, fruit, gardening tools and other necessities. No lollies, cool drinks, smokes or alcohol can be booked up.

#### **Rules for limiting stores**

Stores that manage good book up arrangements will maintain accurate records, give itemised receipts, display prices, never keep PINs, only keep cards at the request of the consumer, keep any cards they hold very secure and return a consumer's cards when requested by the consumer.

### Alcohol

The laws on the sale of alcohol vary across Australia. In some areas of Australia, including the Northern Territory, it is illegal to use book up to buy alcohol. Some stores do not allow alcohol to be booked up, even where it is not illegal.

### Banning book up

Some communities decide not to allow book up at all because the community is concerned that:

- ❑ book up can create debt for the store that is very hard to recover
- ❑ book up is open to exploitation or poor management
- ❑ the store will be treated as a replacement for banking services and this creates a burden for the store
- ❑ book up can encourage a monopoly by one store, which is bad for consumers, and
- ❑ book up can encourage a 'feast or famine' approach to financial management.

### Making the transition

If a community makes a decision to ban book up, people may need time and help to adjust. Often it is best to phase out book up slowly, or give consumers plenty of notice so they get used to managing their money without book up.

Some communities have increased people's understanding of the reasons for banning book up through education and advice on alternative options.

Some communities have reintroduced a limited form of book up after a period of no book up at all.

# Thinking about book up

## Alternatives to book up

If consumers and traders are looking for alternatives to book up, there are several options.

### Accessing money

Sometimes consumers use book up because there is limited access to banking services. There are alternatives to face-to-face banking available. If consumers have telephone or internet banking, they can generally check their balances, pay bills and transfer money with no bank fees.

EFTPOS and ATMs are important sources of cash, although sometimes there are charges for using them (for example, if a consumer has an account with one bank and uses another bank's ATM, they may be charged a fee for using a 'foreign ATM').

Australia Post also provides banking services on behalf of 70 banks, credit unions and other financial institutions at certain retail outlets. Consumers can make deposits and withdrawals, check their balances and pay credit card bills through the Bank@Post service.

### Money management by saving

If consumers are able to save part of their income, they won't need to use book up as a source of credit. Savings plans can help people get ahead and be ready for future purchases. Check out our budget planner: see pages 15–16 >> or go to [moneysmart.gov.au](http://moneysmart.gov.au) for online tips and budgeting tools. You can also contact a financial counsellor or Money helper in your local area to get free advice about managing money and doing a budget.

## Other sources of credit

Some banks and credit unions provide special products for low income earners such as accounts which attract no or low standard fees and charges ('basic bank accounts').

Some community organisations can offer No Interest Loan Scheme (NILS) loans which are free of interest and fees. NILS loans are administered by community organisations to help low income households purchase essential household goods such as a fridge or washing machine. They are usually for \$200 to \$1200 and are repaid over 12 to 18 months. Repayments can be set up through Centrepay. Talk to your local financial counsellor, Money helper or community organisation to see if you are eligible for a NILS loan. For more information check out 'No or Low Interest Loans' on [moneysmart.gov.au](http://moneysmart.gov.au).

Community organisations may also offer low interest loans for personal, domestic or household purposes.

Consumers who are receiving Centrelink payments may also be able to obtain advances on their Centrelink payments. They will have to pay this money back to Centrelink through deductions from their fortnightly payments, but there will be no interest charges.

## Thinking about book up

*If you're going to keep book up, here are some things to think about and discuss to make book up work better.*

### Why keep book up?

- ❑ People might be used to book up and rely on it.
- ❑ Book up can be fair where receipts, itemised statements and records of transactions are provided, large debts are not allowed to be accrued, PINs are not kept, and customers understand the arrangements.
- ❑ Bad book up practices can be changed over time.

### What about fees for book up?

If stores charge a fee for book up or increase the price of goods or services that are booked up, these extra costs should be clearly displayed to consumers.

Stores should make sure that all charges are affordable and clearly explained to consumers so they understand the charges.

A charge for book up could include a fee, interest, or a higher price charged for goods or services that are booked up.

If a store or trader charges consumers for book up, they may be engaging in credit activities as defined by the National Credit Act and be subject to regulation. If the book up is regulated by the National Credit Act, the store or trader must apply for a credit licence or be an authorised credit representative to undertake such activity, comply with responsible lending requirements and be a member of an external dispute resolution (EDR) scheme.

If the book up offered is regulated credit, the store must also give consumers certain written records at specific times to ensure they are aware of the terms on which the book up is provided, including written disclosure (written explanation) before book up is provided and ongoing account statements.

### Should the store keep PINs?

Under no circumstances should stores ask for or keep a consumer's PIN or telephone or internet banking passwords.

Stores should also consider whether the merchant agreement with their financial institution prohibits them from holding PINs.

### Should the store keep cards?

Stores should not insist on keeping consumers' cards as a condition of book up.

Some stores have developed a practice of holding consumers' cards. This is a very serious responsibility and should only be undertaken:

- ❑ at the written request of consumers who need their cards stored temporarily in a safe place
- ❑ if the store agrees to keep cards safe and secure from theft, unauthorised use, or any form of exploitation of the consumer, and
- ❑ the store complies with all conditions required by the consumer's bank, credit union or other financial institution.

Before leaving a card at a store, customers need to consider:

- ❑ how they will buy items at other stores when the book up trader has their card
- ❑ if there are other ways they can access their money without their card, such as phone or internet banking
- ❑ whether the trader will give the card back if it is needed, and
- ❑ whether the trader will give proper receipts, including complying with legal obligations to give receipts for purchases of \$75 or more (excluding GST).

## Thinking about book up

### What about book up on other people's accounts?

Stores may decide that only the account holder can book up. This can save disputes, but may not recognise family obligations.

In some stores, this is managed by the store holding a list of people authorised to book up on each account. This ensures that consumers are only responsible for the amounts booked up by people they have authorised.

Some stores limit the amount that a book up account holder can book up – or limit the amount that can be booked up by other people.

### What records should be provided to consumers?

- Consumers using book up should be able to view an itemised account and be given a regular record of their purchases and any remaining debt (for example, weekly, fortnightly or monthly).
- A receipt (or proof of the transaction) must be provided for goods or services totalling \$75 or more (excluding GST).
- The record should state each item purchased, when it was booked up, the price of each item and if there is any fee or charge for the book up service. If other people are allowed to book up on the account, the records should also list who booked up the items.
- The store manager or trader can keep an account book or a computerised account-keeping system. These allow a trader to easily keep track of customers' accounts and provide regular detailed records.
- The store manager's contract can specify good record keeping as a condition of employment.

### Summary: Consumer friendly book up

- Display book up terms and conditions in the store in a way consumers can see

and understand them.

- Give consumers a written agreement that includes terms and conditions and any interest or charges that apply.
- Don't ask for, or keep, a consumer's PIN.
- Don't insist on keeping cards as a condition of book up, but if a card is kept ensure it is stored in a safe and secure place.
- Give consumers receipts, an itemised statement (with dates and prices) of goods and services they have bought (including any fees and charges for the book up) and records of transactions, including any remaining debt owing.
- Allow consumers to look at their records at any time.
- Keep records of purchases and money owing in a safe, confidential and secure place.
- Don't allow customers to book up more than they will be able to pay back.

### How will the store manager know the book up policy?

- Use the sample contract terms for the store manager's contract of employment to ensure better book up: *see pages 19–20 >>*
- Get tips from other store policies (like the Mai Wiru policy).

### What about know-how and skills?

Some of the skills that help people make choices about their money include:

- finding out about fees charged for:
  - checking account balances and withdrawing money at the local ATM
  - using EFTPOS for transactions
  - transferring money using telephone and internet banking, and
  - paying bills using telephone and internet banking, and

## Thinking about book up

- ☐ minimising bank fees by:
  - using their own bank's ATM
  - making fewer transactions
  - using free internet or telephone banking, or
  - inquiring about basic bank accounts that have low or no standard fees and charges.

### What about training in money?

- ☐ ASIC's Indigenous Outreach Program provides information to Indigenous consumers, businesses and organisations. Call the Indigenous Outreach Program helpline on 1300 365 957.
- ☐ ASIC's consumer website also has many useful resources: [moneysmart.gov.au](http://moneysmart.gov.au)
- ☐ The Financial Capability website provides information and materials to develop consumer awareness and financial literacy levels nationally: [financialcapability.gov.au](http://financialcapability.gov.au)
- ☐ MilbaDjunga (Smart Money) has money management activities for school aged people: [moneysmart.gov.au/teaching](http://moneysmart.gov.au/teaching)

### Other options

- ☐ To speak to a financial counsellor, call the National Debt Helpline on 1800 007 007 or go to [ndh.org.au](http://ndh.org.au). To find one near you, use the financial counsellor online search at [moneysmart.gov.au](http://moneysmart.gov.au).
- ☐ Financial Information Service (FIS) officers provide information and conduct regular information seminars on a range of topics: [humanservices.gov.au](http://humanservices.gov.au) or call 13 23 00.

- ☐ Matrix on Board provides financial training and support to the Money Management sites in the Northern Territory, Western Australia and Queensland: [mob.com.au](http://mob.com.au)
- ☐ ICAN Personal Finance and Consumer Assistance training project (ICAN and Commonwealth Bank): [ican.org.au](http://ican.org.au)
- ☐ My Moola: Opening Financial Pathways (First Nations Foundation and ANZ): [fnf.org.au](http://fnf.org.au)
- ☐ Indigenous Business Australia runs a Business Development Program: call 1800 107 107.
- ☐ The Office of the Registrar of Indigenous Corporations runs governance training courses: [oric.gov.au](http://oric.gov.au)
- ☐ TAFE offers courses in retail, book keeping, software, financial literacy and employment law.

### What resources can help?

- ☐ ASIC's budget planner: *see pages 15–16 >>*
- ☐ *Dealing with book up: a guide* (available from [moneysmart.gov.au](http://moneysmart.gov.au))
- ☐ *FairStore* (free from the ACCC or ASIC)
- ☐ *Mai Wiru regional stores policy*, (developed by Anangu living in the Anangu Pitjantjatjara Yankunytjatjara lands)
- ☐ Sample contract terms and guidelines about book up for store managers: *see pages 19–20 >>*
- ☐ Model community store manager's contract (from the NT Department of Health and Families)

# Managing money

## Need help setting up bank accounts?

ASIC's MoneySmart pages about banking are a great place to start: see [moneysmart.gov.au](http://moneysmart.gov.au)

- **Banks:** Check out the services offered by the closest bank, or the bank used most often, as this can minimise fees. Some banks provide dedicated services to Indigenous communities and can help set up a savings account. Some banks offer specific accounts for low income earners, which is another way to minimise fees.
- **Credit unions:** Credit unions are another option where consumers can set up bank accounts. Aboriginal specific credit unions like the Traditional Credit Union can help set up savings accounts, clan/family accounts and Christmas accounts.
- **Government Savings Plans** (FaHCSIA, Centrelink and private sector organisations): Some government programs can help with banking and budgeting services by building financial and savings skills. Contact the local Centrelink office for more information.

## Being charged high ATM fees?

Every time consumers check their account balance or withdraw money from an ATM that is not provided by their bank, they may be charged a fee.

Consumers should be encouraged to use their bank's ATM so limited fees are charged. Where this is not possible (for example, where the bank does not have an ATM nearby), advise consumers to reduce the number of times they check their balance and withdraw cash so limited fees are charged.

## Need a loan?

A loan is a type of credit. This means that borrowers pay back the amount borrowed, as well as any fees and interest. This can take a long time, and cause problems for borrowers on low incomes.

An alternative loan is provided by the No Interest Loan Scheme (NILS). Talk to local financial counsellors or Money helpers about this scheme.

There are other no or low interest loan programs. Check out ASIC's website [moneysmart.gov.au](http://moneysmart.gov.au) and go to the tab for 'Borrowing & credit' then 'Other types of credit'.

Centrelink also provides advance payments of between \$250 and \$500. This money has to be paid back to Centrelink, but can help cover a temporary shortfall and there is no interest.

## Need budgeting advice and information about savings and debts?

Check out ASIC's 'Get help with money' pages by going to [moneysmart.gov.au](http://moneysmart.gov.au), looking for the Aboriginal and Torres Strait Islander flags and clicking on the Indigenous link.

Consumers can get help with budgeting and debt advice from:

- ASIC's online budget planner at [moneysmart.gov.au](http://moneysmart.gov.au)
- financial counsellors: Call the National Debt Helpline on 1800 007 007 to speak to a financial counsellor, or go to [ndh.org.au](http://ndh.org.au)
- Money helpers
- financial literacy training.

## Managing money

In the meantime some good practices include:

- knowing your budget: *see our budget planner on pages 15–16 >>*
- requesting and keeping receipts for all transactions
- keeping and reviewing all account statements, and
- checking account statements against your receipts.

### Some different ways to pay bills

There are different ways to pay bills such as:

- using Centrepay to pay for rent, gas, electricity, phone, NILS repayments, water and other bills
- using internet banking. Talk to your bank or credit union to set up an account to pay bills using internet banking
- using BPAY, which allows bills to be paid over the phone or internet
- Bank@Post (through Australia Post), which can be used to make deposits, withdrawals and pay bills, and
- rural transaction centres (RTCs) sometimes provide phone, fax and internet access, and may be agents for Centrelink and Australia Post.

# Budget planner

Use this handy budget planner to help work out how much money you've got coming in and what you spend it on. Once you've done your budget, you can work out where you can cut back if you need to find more money or pay off debts.

## Tips for doing your budget

1. Decide if your budget is going to be weekly, fortnightly or monthly. Make sure your income and expenses are on the same timeframe (weekly, fortnightly or monthly) to help you manage your money more effectively.
2. If your income and expenses are on different timeframes, then you will need to convert them.



## Income

Use this table to write down all of your regular income.

Type of income (money in each week, fortnight or month)	\$ received
Take home pay	\$
Centrelink payments	\$
CDEP (+ Top Up)	\$
Family Assistance payments	\$
Child support	\$
ABSTUDY	\$
Royalty payments	\$
Arts and crafts earnings	\$
Other income	\$
<b>TOTAL income</b>	<b>\$</b>

Use this conversion guide to help you make all amounts the same.

- To make weekly amounts fortnightly – multiply by 2.
- To make weekly amounts monthly – multiply by 52, then divide that number by 12.
- To make monthly amounts fortnightly – multiply by 12, then divide that number by 26.
- To make fortnightly amounts monthly – multiply by 26, then divide that number by 12.
- To make yearly amounts fortnightly – divide by 26.
- To make yearly amounts monthly – divide by 12.

# Budget planner

## Expenses

Use the following table to write down your expenses – that is, what you spend your money on each week, fortnight or month.

<b>Household expenses</b>		Savings	\$
Rent	\$	Super payments	\$
Mortgage	\$	<i>Subtotal</i>	\$
Board	\$	<b>Family, friends, community</b>	
Council rates	\$	Child support	\$
Water rates	\$	Kids' pocket money	\$
House/contents insurance	\$	Other money to family	\$
House repairs	\$	Christmas	\$
Phone	\$	Birthdays	\$
Electricity	\$	Funerals	\$
Heating oil	\$	Ceremony	\$
Gas	\$	<i>Subtotal</i>	\$
Groceries	\$	<b>Personal</b>	
<i>Subtotal</i>	\$	Clothes and shoes	\$
<b>Transport</b>		Haircuts	\$
Petrol	\$	Entertainment	\$
Big trips	\$	Alcoholic drinks	\$
Car repairs	\$	Cigarettes/tobacco	\$
Car rego	\$	Gambling	\$
Fines	\$	DVDs/videos/movies	\$
Car insurance	\$	<i>Subtotal</i>	\$
Licence	\$	<b>Loans, debts, etc.</b>	
Bus or taxi	\$	Credit cards	\$
<i>Subtotal</i>	\$	Book up	\$
<b>Medical</b>		Personal loans	\$
Doctor	\$	Car loans/hire purchase	\$
Chemist	\$	Finance companies	\$
Eye care	\$	Family, friends, community	\$
Dentist	\$	<i>Subtotal</i>	\$
<i>Subtotal</i>	\$	<b>TOTAL expenses</b>	\$

Now, subtract your total expenses from your total income:

Total income	minus	Total expenses	equals	Money left over
\$	-	\$	=	\$

If you have money left over, then you can think about using this money to pay debts off quicker or putting it into savings.

If you are spending more than you earn, you need to find ways to cut back your expenses.

# What the law says about book up



Consumers should get advice from a financial counsellor, legal adviser, the police, ASIC or the ACCC if they think their legal rights have been breached. Check the book up map on page 22 for the best people to talk to. Keep written records of any transactions as these will be important evidence in the case of theft or fraud.

## Theft and fraud

- ❑ Theft and fraud are illegal.
- ❑ Theft is when one person takes property, including money, from another person without their permission and does not intend to give it back.
- ❑ Fraud is similar to theft, but usually involves one person using trickery or telling lies to get the other person's property or money.

## Unfair or unconscionable conduct

- ❑ Unconscionable conduct is illegal. It is a kind of unfair conduct where one person takes advantage of another.
- ❑ A book up transaction might be unconscionable if the consumer does not understand the arrangement, or the trader uses pressure or unfair practices when dealing with the consumer. A court can consider many factors when determining if an arrangement is unconscionable.

## Contracts

- ❑ When a trader and a consumer decide to use book up, they make a contract.
- ❑ The book up contract might be in writing, a spoken agreement, or it might be implied (understood from the way the trader and the consumer have done book up before).
- ❑ If the book up is regulated by the National Credit Act, the book up contract should include details of the relevant approved external dispute resolution (EDR) scheme and other disclosure documents.
- ❑ A contract has terms (rules for how the contract works). The terms of a book up contract tell the consumer how book up will work and what the trader and the consumer must do. The consumer should understand the terms of the contract before

agreeing to it or signing it. If a consumer isn't sure about the contract, they should not sign it and they should talk to a financial counsellor, a Money helper or a lawyer.

## Unfair contract terms

- ❑ A term of a standard form book up contract will be unfair if there is a significant imbalance in the trader's and the consumer's rights, the term is not reasonably necessary and it would cause harm or loss to the consumer.
- ❑ Unfair terms in standard form consumer contracts are void and have no effect. If the rest of the contract can operate without the unfair term, the parties will continue to be bound by the rest of the contract.

## Australian Consumer Law

- ❑ The trader must be honest and accurate in representations or claims made about their goods and services.
- ❑ The trader must clearly and accurately display the goods and the price (for example, price tags on each item or a sign with the price near the item).
- ❑ The trader must provide receipts to consumers when goods or services of \$75 or more (excluding GST) are purchased.
- ❑ All goods sold by the trader must be of acceptable quality, match any description, sample or demonstration model shown to the consumer and be 'fit for purpose'. For example, if a consumer requests a vehicle for dirt roads, the vehicle provided should be suitable for those conditions.

# National Credit Act

## What is the National Credit Act?

The *National Consumer Credit Protection Act 2009* (National Credit Act) is the Australian law regulating consumer credit activities. This law protects consumers of credit by requiring people and businesses providing consumer credit to do certain things.

## What credit does the National Credit Act apply to?

Credit is provided when a person incurs a debt, or payment of a debt is deferred. This includes when a person borrows money or is allowed to take goods or services and pay for them later.

The National Credit Act will generally apply if the store or trader allows customers to book up the cost of goods or services and:

- ❑ the provision of credit exceeds 62 days and a charge is made for providing the credit, or
- ❑ the provision of credit does not exceed 62 days but the store or trader charges the consumer a fee that exceeds 5% of the amount booked up, or charges interest at an annual percentage rate in excess of 24%.

The National Credit Act also only applies to credit where:

- ❑ the borrower is an individual (or strata corporation)
- ❑ the credit is provided wholly or mostly for personal, household or domestic purposes (or residential property investment)
- ❑ the lender charges the consumer for giving them credit, and
- ❑ the credit is given as part of running a business.

## Does the National Credit Act apply to book up?

Stores or traders offering book up will probably be affected by the National Credit Act if they charge consumers for providing book up. Charges include interest or account fees, as well as making book up customers pay higher prices for the goods or services purchased.

Traders can check their obligations by reviewing ASIC's Regulatory Guide 203 *Do I need a credit licence?* (RG 203) at [asic.gov.au/rg](http://asic.gov.au/rg).

## What does it mean if the National Credit Act applies to book up?

Businesses providing credit regulated under the National Credit Act must be:

- ❑ licensed to undertake such activity, or
- ❑ authorised as a representative of a licensee.

The National Credit Act has responsible lending provisions that prohibit businesses from giving credit if the consumer would only be able to repay with substantial hardship. Businesses will also need to be a member of an approved EDR scheme.

The National Credit Act also requires disclosure about the credit contract to help consumers identify the main terms of the loan.

If the trader thinks they may be providing credit in the form of book up, they should cease providing credit until they have the appropriate licence or authorisation and contact ASIC immediately.

## Where can I get more information?

Call ASIC on 1300 300 630 or go to [asic.gov.au/credit](http://asic.gov.au/credit).

## Sample contract terms for store managers

If a community operates or has influence over a store, consider the following sample contract terms for the store manager's contract of employment. Each community will need to adapt these sample contract terms to suit their particular circumstances.<sup>1</sup>

### Clause 1 – Duties of Store Manager

1.1 The Store Manager is required to manage the day-to-day operation of all aspects of the business of the Store, including, but not limited to, the following aspects of the business relating to book up:

- displaying and pricing of all stock
- providing book up in accordance with Annexure A of this Contract (see following)
- entering into a separate written book up agreement with each person who is eligible to obtain book up through the Store (the 'Consumer')
- maintaining accurate written records of all book up purchases and transactions ('book up Account') that clearly show the price of each purchased item, the signature or acknowledgement of the Consumer for each transaction, and any payments received by the Consumer on the book up Account
- providing regular book up Account reports to the Management Committee
- providing safe and secure storage facilities for all banking items (for example, ATM cards) held by the Store only at the written request of the Consumer,
- never holding a Consumer's PIN, and
- providing copies of current book

up Account details and copies of any receipts to the Consumer on request.

1.2 The Store Manager has been provided with copies of procedures and policies about providing fair book up.

1.3 It is agreed that the Store Manager will understand and implement all obligations the store might have under the *National Consumer Credit Protection Act 2009* (National Credit Act) by making all reasonable inquiries about the application of the National Credit Act. If the Store Manager or the employer determines that the National Credit Act applies, they are required to ensure that the store holds a current credit licence and complies with the licensing requirements, including the responsible lending provisions, and membership of an External Dispute Resolution scheme.

1.4 It is a fundamental condition of this Contract that the Store Manager will use their best endeavours at all times to implement the procedures and policies set out in [insert relevant documents such as *Dealing with book up: key facts, Mai Wiru* and others] and to comply with Annexure A.

1.5 It is agreed that the failure of the Store Manager to use their best endeavours to provide book up in accordance with the duties, guidelines or procedures referred to in this Contract will be a fundamental breach of the Contract and the Employer may, at its absolute discretion, terminate the employment of the Store Manager.

<sup>1</sup> These sample terms are adapted from a previous version of the Northern Territory Department of Health's Community Store Manager's Contract.

## Sample contract terms for store managers

### Annexure A: Store Manager's contract

Book up is offered in this Store in accordance with the following guidelines:

1. Prices of all items are clearly displayed.
2. Separate plain English written agreements are entered into with each Consumer using book up ('book up Agreement') which includes terms and conditions and any interest or charges that apply.
3. A separate book up Account is opened and maintained for each Consumer.
4. The Store Manager records for each Account:
  - the price, administrative, interest or other charges (if any), details and date of items purchased on book up
  - the current balance of the account, and
  - details of any payments received on the Account.
5. Each book up Account shall be available for inspection at all times on request by the Consumer, an advocate acting on behalf of the Consumer, or by a relevant law enforcement or regulatory agent.
6. The Store Manager shall ensure that only the Consumer or a person authorised by the Consumer (such authorisation to be in writing and signed by the Consumer) can purchase items on a book up Account.
7. The Store Manager shall neither accept nor hold blank withdrawal forms signed by the Consumer.
8. The Store Manager shall neither accept nor keep details of the Consumer's personal identification number (PIN) and shall advise the Consumer not to disclose or reveal their PIN to any third person and to keep the PIN secure.
9. If the Consumer requests that the Store Manager hold their banking item (excluding PINs), the Store Manager shall ensure that the banking item is maintained in secure storage to minimise the risk of loss, theft or use by an unauthorised person. In the event that the banking item is lost, stolen or used without authorisation, the Store Manager shall immediately inform the Consumer or, if such notification is not practicable, inform the financial institution to minimise the risk of further loss.
10. The Store Manager shall return the banking item to the Consumer if requested.
11. All electronic funds transfer point of sale (EFTPOS) or automatic teller machine (ATM) transactions must be authorised and completed by the Consumer.
12. The Store Manager must provide a plain English statement or explanation to each Consumer of the terms and conditions relating to book up offered by the Store, both orally and in writing.
13. A copy of the terms and conditions relating to book up offered by the Store must be clearly displayed in the Store.
14. The Store Manager shall make suitable arrangements to allow Consumers to obtain their banking items if the Store is closed for periods of more than 3 days consecutively or for other periods such as store manager's leave.
15. If the book up provided by the store is regulated by the National Credit Act, the Store Manager shall ensure compliance with the Act. This includes ensuring credit provided through book up is 'not unsuitable' by:
  - making reasonable inquiries about the consumer's requirements, objectives and their financial situation
  - taking steps to verify that financial situation, and
  - not placing the consumer in arrangements which will put the consumer in financial hardship.

# Book up: Who can help?

## ASIC

ASIC regulates credit and financial services and informs consumers. For the price of a local call, you can call ASIC's Indigenous Outreach helpline on 1300 365 957.

## ACCC

The Australian Competition and Consumer Commission (ACCC) promotes competition and fair trade, and protects consumers of goods and services (except financial services). Go to [accg.gov.au](http://accg.gov.au) or call the ACCC Indigenous Infoline on 1300 303 143.

## Ombudsman services

For help in settling disputes with financial service providers, contact the Australian Financial Complaints Authority [afca.org.au](http://afca.org.au) or call 1800 931 678.

## Police

Report criminal matters such as theft or fraud to the police.

## Financial counsellors

Consumers can get free, independent advice about managing money, budgeting and dealing with debts. To speak to a financial counsellor, call the National Debt Helpline on 1800 007 007 or go to [ndh.org.au](http://ndh.org.au). To find one near you, use the financial counsellor online search at [moneysmart.gov.au](http://moneysmart.gov.au).

## Legal advice

- Aboriginal and Torres Strait Islander Legal Services (ATSILS) provide legal services to Aboriginal and Torres Strait Islander people: go to [natsils.org.au](http://natsils.org.au) for a list of these services.
- State and territory legal aid agencies can provide legal advice in civil law matters.
- Community legal centres can provide free legal advice: go to [naclc.org.au](http://naclc.org.au) or call 02 9264 9595.

## State and territory consumer affairs and fair trading agencies

Contact these agencies about unfair sales practices and consumer rights:

- ACT: Access Canberra: [accesscanberra.act.gov.au](http://accesscanberra.act.gov.au) or call 13 22 81
- NSW: Office of Fair Trading: [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au) or call 13 32 20
- NT: Consumer Affairs: [consumeraffairs.nt.gov.au](http://consumeraffairs.nt.gov.au) or call 1800 019 319
- Qld: Office of Fair Trading: [qld.gov.au/law/fair-trading](http://qld.gov.au/law/fair-trading) or call 13 74 68
- SA: Consumer and Business Services: [cbs.sa.gov.au](http://cbs.sa.gov.au) or call 131 882
- Tas: Consumer Affairs and Fair Trading: [cbos.tas.gov.au](http://cbos.tas.gov.au) or call 1300 654 499
- Vic: Consumer Affairs Victoria: [consumer.vic.gov.au](http://consumer.vic.gov.au) or call 1300 558 181
- WA: Department of Commerce: [commerce.wa.gov.au/consumer-protection](http://commerce.wa.gov.au/consumer-protection) or call 1300 304 054

## Centrelink

Go to [humanservices.gov.au](http://humanservices.gov.au) for information about payments and Centrepay. Indigenous people in remote areas can call 1800 136 380.

## Governance

The Office of the Registrar of Indigenous Corporations provides training: see [oric.gov.au](http://oric.gov.au).

# The book up map



This map is a good starting place for action. It lists common book up problems, what individuals and communities might do to solve these problems, and who can help.

Problem	People are running up big debts on book up and can't pay them off.	People don't know what money is being taken out of their account.	People would like more control of their money.	People would like to be able to track their finances better.	People regularly need large amounts of money to pay for important events like funerals and travel. Traders who lend the money keep cards until the debt is paid and people have no other source of money.	People in a community are worried about book up but can't explain why, or don't know what to do.
Individual action	Work out a repayment plan and record payment of the debt.	Check that there is no risk of fraud or theft. Talk to the trader about getting the card back, or arrange with the bank to change the PINs. Get a bank statement and check the record of transactions.	Talk to a financial counsellor, Money Management or MoneyBusiness worker. Ask for financial literacy training. Attend a TAFE course where possible. If you have internet access, check out the ASIC consumer website: <a href="http://www.moneysmart.gov.au">www.moneysmart.gov.au</a>	Request and keep receipts for all transactions. Keep and review bank statements. Check bank statements against receipts. Use the budget planner on pages 15-16>>. Check whether installation of an ATM is possible.	Consider using a bank or credit union savings plan. Consider a low or no interest loan. Consider setting up a regular Centrepay payment to cover the debt.	Talk to others and discuss common problems. Hold a meeting to discuss problems and consider taking action.
Community action	Set rules for book up at the community store and/or negotiate book up rules with other traders. Limit book up or ban book up if possible. Take action to improve financial knowledge and skills.	See if the bank or credit union can come and talk to people about keeping their PINs and passwords safe, understanding how their account works, and the best way to keep track of their money. Work to improve record keeping by stores and other traders.	Investigate improved banking services.	Improve financial services, for example: <ul style="list-style-type: none"> <li>try to get an ATM in the area</li> <li>set up internet or phone banking, or</li> <li>access Bank@Post.</li> </ul> Try to initiate better record keeping practices by the store (e.g. draft a store policy that includes a requirement to keep good records).	Consider establishing a community-based savings plan. Consider encouraging a bank or credit union to offer savings plans to community members.	Try to identify the particular problems and possible solutions. Hold a meeting in the community to discuss the issues and problems and try to come up with possible solutions.
Who can help?	Financial counsellors	Police Banks and credit unions Financial counsellors	Financial counsellors TAFE ASIC: <a href="http://www.moneysmart.gov.au">www.moneysmart.gov.au</a>	Banks and credit unions Financial counsellors Guides developed by other communities	FaHCSIA Centrelink Financial counsellors Banks and credit unions	Community members Financial counsellors



## Legal or police issues

### Problem

A trader or another person has stolen money from a consumer's account (or is not being honest with consumer's money).

Money has been stolen from the consumer by another person after cards were stolen from the store.

The trader allows people to book up groceries on other people's accounts.

People have disclosed their PINs to the trader. They are suspicious about the amounts being withdrawn to pay their debts but can't get the cards back.

Consumers feel ripped off because of:

- fees charged for book up
- high prices in the store
- poor record keeping for book up, or
- other people's debts being added to their account.

### Individual action

Complain to the police.  
Complain to ASIC.

Complain to the police.  
Seek legal advice about whether the store was negligent (e.g. from legal aid or a community legal centre).  
The consumer affairs agency in your state or territory may also be willing to help, especially in a clear case of negligence by the trader.

Complain to the police.  
Complain to ASIC.  
Seek legal advice on the trader's conduct.  
Talk to the trader and explain who, if anyone, is authorised to book up on the card.  
Tell the trader that it is unlawful to make unauthorised transactions on the card.  
Contact the bank.

Ask for the card back.  
Ask for records of all transactions.  
Check and make a list of prices of goods.  
Check transactions on bank records.  
Check if there is an agreement with the store about when the card can be returned.  
Consider cancelling the card if there is no agreement.  
Consider changing the PIN for the card.  
Contact the bank.

Check if:

- there has been fraud or theft
- the trader has breached the National Credit Act, or
- the trader has engaged in unconscionable (unfair) conduct.

Challenge whether the consumer has to pay for debts by unauthorised people.

### Community action

Talk to all people who may be affected.  
Gather any written documents and collect other evidence.  
Complain to the police.  
Complain to ASIC.

Seek legal advice about whether the store was negligent (e.g. from legal aid or a community legal centre).  
Contact the consumer affairs agency in your state or territory, especially in a clear case of negligence by the trader.  
Talk to the store about upgrading security.  
Talk to consumers about security risks and explore alternative ways to hold cards.

Seek legal advice on trader's conduct.  
Talk to the trader and try to get some common rules about who can book up on other people's accounts.  
Report unauthorised transactions to the police.



Ask for the cards back.  
Make sure prices are clearly displayed in the store.  
Discuss concerns with the trader.  
Ask for itemised accounts for all transactions.  
Consider use of store contracts if in consumer's favour.  
Check if consumers already have agreements with the store about when cards can be returned.  
Consider cancelling cards or changing PINs for the cards.  
Consider setting standards for book up or limiting availability of book up.

Set rules for book up at the community store and/or negotiate book up rules with other traders.  
Take action against unfair conduct.  
Limit or ban book up.



### Who can help?

Legal services  
Police  
ASIC

Legal services  
Consumer affairs agency in your state or territory  
Police

Legal services  
Banks and credit unions  
Police  
ASIC

Legal services  
Financial counsellors  
Guides developed by other communities  
Police  
ASIC

Legal services  
Consumer affairs agency in your state or territory  
ASIC  
ACCC  
Police  
Guides developed by other communities

## Trading or store management issues

### Problem

Consumers are unhappy about the goods and services supplied by the store.

Book up is contributing to excessive alcohol use.

A taxi driver offers book up in a way that harms consumers.

The manager of a business on Aboriginal land or a visiting hawker is causing book up problems.

### Individual action

Complain to the store.  
Complain to the consumer affairs agency in your state or territory.

Talk to a financial counsellor about ways to better manage money.  
Talk to a doctor or suitably qualified health professional.

Complain to the taxi licensing authority, ASIC, the consumer affairs agency in your state or territory, or the police.

### Community action

Set or negotiate standards for the store.  
Improve store management practices and policies.

In the Northern Territory, complain to the Licensing, Regulation and Alcohol Strategy division of the Department of Justice about the licensee breaching the law.  
Consider objecting to the liquor licence.

Complain to the taxi licensing authority, ASIC, the consumer affairs agency in your state or territory, or the police.  
Encourage consumers to find alternatives to credit with taxi driver.

Find out if that person can be prevented from visiting or remaining in the community.



### Who can help?

Guides developed by other communities  
Consumer affairs agency in your state or territory

In the Northern Territory, the Licensing, Regulation and Alcohol Strategy division of the Department of Justice  
Liquor licensing authorities in other states and territories

ASIC  
Consumer affairs agency in your state or territory  
Australian Taxi Industry Association  
Minister for Transport

Aboriginal Land Councils  
ASIC  
Consumer affairs agency in your state or territory





This booklet is for anyone working on developing responses to book up in Indigenous communities, including community leaders, non-government organisations, financial counsellors, community legal workers, government agencies or private businesses.

This booklet provides key facts about:

- what book up is and how it works
- what individual consumers can do about book up problems
- what communities can do to identify problems with book up and the actions they can take
- how to protect your PIN
- how to promote good book up by changing the way it is operated and managed
- the National Credit Act and book up and other legal issues
- how to work with government on book up issues.

The booklet also includes a budget planner, sample contract terms for store managers and a fold-out book up map, which is a quick reference guide with solutions to some common book up problems.



ASIC's



Government of **Western Australia**  
Department of **Commerce**  
**Consumer Protection**