



**Joint submission on MBIE'S Discussion Paper:
Effective Financial Dispute Resolution, 19 June 2024**

1. We welcome this opportunity to submit on MBIE'S *Discussion Paper: Effective Financial Dispute Resolution (Discussion Paper)*. The contact for this joint submission is Karen Hodgson, Law Reform Coordinator, Community Law Centres Aotearoa (**CLCA**).
2. CLCA is the national body that coordinates and advocates for the 24 Community Law Centres across Aotearoa. CLCA and other signatories to this joint submission have also made separate submissions on MBIE'S Discussion Paper.
3. Our organisations represent financial mentors, Community Law Centres and others working with, and advocating for, vulnerable consumers. We are concerned about the rushed timeframe for the Fit for Purpose Financial Services Reforms and the Proposed Changes to the Responsible Lending Code consultations; particularly because these consultations may result in what we believe to be significant reductions to consumer protections relating to the CCCFA. We also expect the revocation of the substance of the affordability requirements in the CCCF Regulations to create further uncertainty for lenders and increase risks of unaffordable lending.
4. The coalition Government has committed to protecting vulnerable consumers within these reforms. We recommend that the coalition Government demonstrate its intention to protect vulnerable consumers by providing funding for a financial legal rights service pilot. This service sits squarely within "*Options to address issue 1: supporting consumer access and awareness of schemes*" of the Discussion Paper. MBIE is considering "*more services that provide information, advice or navigation support to consumers (or those who support them such as financial mentors)*".
5. A financial rights legal service would predominantly provide legal advice to financial mentors, Community Law Centres and other advocates working with consumers. This would increase the capability and capacity of these agencies where there is currently high demand. A financial legal rights service would also include a policy function that could provide data, insights on trends, and input into law reform options relating to financial legal rights.
6. We **attach** a copy of the proposal for a financial legal rights service. Some of us have met previously with Consumer Protection in MBIE and with the Minister to introduce this proposal, and would welcome a further opportunity to progress these discussions.

Organisations supporting this submission and the proposal:

Community Law Centres Aotearoa
Christians Against Poverty
FinCap
DebtFix
The Salvation Army
Citizens Advice Bureau