Book-Up Abuse Include Buying Second Hand Cars

Member for Greatorex, Dr Richard Lim has written a submission to the Commissioner for Consumer Affairs asking him to investigate into and prevent the abuse of “book-up”, in particular, that of using book-up to buy second hand cars.

“I was recently made aware that the practice of ‘book up’ is also occurring in the second hand car industry here in Alice Springs. I have been told of second hand car dealers who have sold cars to people, particularly indigenous people, on cash deposits and the surrender of credit cards and PINs with which the dealer then deducts regular payments until the value of the second hand car is made.

“Frequently, when the second hand cars are on the scrap heap, the purchasers are still indebted for the cost of the vehicles, and monies still being deducted from the credit card.

“This is exploitation at its worst.

“I was the Chairman of the Select Committee on Territory Food Prices which travelled across the Territory, including bush communities during the review in 2000. The Committee was made aware that businesses, including community stores, hold credit cards and linked PINs of people who frequent their stores.

“The recent announcement by the ANZ Bank that it will refuse to do business with traders who participate in ‘book-up’ was a strong statement by the bank to help stamp out this greatly abused activity.

“The ANZ Bank should be congratulated for its decision to refuse to do business with traders who participate in ‘book-up’," Dr Richard Lim said.

“I hope that the other major banks will follow the ANZ Bank’s lead.

“My bank advised me that it is illegal for a person to hold another person’s credit card and personal identification number. If that is the case, all those businesses holding their clients’ credit cards and PINs are committing illegal acts.

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