The Northern Territory Government has released a discussion paper on book-up – the practise where customers hand over their key card (often with a PIN) as security in exchange for credit from a merchant or trader.

Minister for Justice Dr Peter Toyne launched the paper in Alice Springs and said it’s an important step towards achieving changes to protect consumers and give certainty to merchants and traders.

“This is all about getting the options out in the open so we can develop better ways of regulating book-up and minimising the harm to consumers,” Dr Toyne said.

The Book-Up Reference Group, which includes the Australian Competition and Consumer Commission (ACCC), Australian Securities and Investments Commission (ASIC), Consumer Affairs and the NT Department of Justice, has produced a detailed discussion paper.

The options include:

- Abandon the Voluntary Code,
- Introduce an improved Voluntary Code, with modifications agreed to between Consumer Affairs, ACCC and ASIC,
- Encourage banks to review their merchant agreements seeking a prohibition of retention of PIN by merchants.
- Amend national (Trade Practices Act) and Territory (Consumer Affairs and Fair Trading Act) legislation to more readily link the holding of key cards and PIN to unconscionable conduct,
- Adopt regulations under the Consumer Affairs and Fair Trading Act to introduce a Mandatory Code to regulate the provision of credit by traders.

Dr Toyne said widespread community consultation on the discussion paper will include book-up forums in all major Territory centres.

“We want to hear the views of all Territorians on this important issue – this is opportunity for people to have their say on book-up,” Dr Toyne said.

The Commissioner of Consumer Affairs Richard O’Sullivan will hold talks with Indigenous communities throughout the NT to explain the options and receive feedback.

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