

SYMPOSIUM ON CONSUMER PROTECTION

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THE LEGAL REGULATION OF INSTALMENT CREDIT**

May I begin by giving the views on the legal regulation of moneylending of an author who, in the University of London, it is obligatory to cite but unnecessary to name. Interference, he wrote, is based on superstition. Money, like other commodities, has its value in the market, which is determined by the relation of supply and demand. Those who can offer security will be able to borrow at the market rate: those with no security will have to pay a premium in proportion to the risk. They are the best judges of that premium and are, and ought to be, at liberty to give and decline it. Attempts, he concluded, to protect the ignorant, inexperienced, simple or necessitous, are vain or mischievous. In other words, he was against it! "Mischievous"? Doubtful. "Vain"? Possibly. "Difficult"? Certainly. Indeed, if there is any one thing which I can assert with confidence it is the difficulties involved in the legal regulation of instalment credit and moneylending. My appreciation of difficulties springs from work done as a member of a Committee appointed by the Standing Committee of Attorneys-General of the States and Commonwealth of Australia to report on the law relating to consumer credit and moneylending. In the course of our enquiries we looked as thoroughly as we could at the laws, actual and proposed, of Canada, New Zealand, the United Kingdom and the United States of America, and collected evidence from a wide range of bodies in Australia, as a result of which we were, if no wiser, at least considerably better informed. I intend, however, to speak today of the problems only as they appear in Australia and the United Kingdom. It is, or ought to be, axiomatic that the value of any rule of law should be judged on whether it meets the needs of the particular country in which it is operating. Transplants, here as elsewhere, may produce adverse reactions, and one should be cautious about recommending them.

Nevertheless, there is a great deal in common between Australia and the United Kingdom in this field. Both use hire-purchase as the basic form of consumer finance, (though its supersession has perhaps proceeded further in Australia). The Australian States and England have essentially similar Bills of Sale and Moneylending Acts, which, like other legislation, are to be read against an identical Common Law. In both countries, conditional and credit sales, rental purchase agreements, second mortgages, credit cards (lender and retailer) and personal loans are employed. In both, banks play little part in the direct supply of credit to consumers. In both, finance companies are important, with a comparative few having the great bulk of business. (Some of them, indeed, are English-controlled.) If, therefore, what I say is mainly

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based on our recommendations to the seven Australian governments, it will, I hope, not be irrelevant to an English audience.

I remember Dr. G. R. Y. Radcliffe, whom many of you will remember as a legal author and as Law Fellow and Bursar of New College, Oxford, once telling me of an occasion when, as a young man, he had to visit Cornwall, on some sort of official business, with an older lawyer, whose name I unfortunately forget. The journey involved a wait of some hours in an intermediate town, and Dr. Radcliffe proposed that they should deposit their cases in the left-luggage office. His companion, however, refused to do this, and took him outside the station and into an establishment adorned by three brass balls, where at his instigation they both solemnly pawned their luggage in return for a modest loan, subsequently redeeming it. "You see, Radcliffe", said the companion on emerging, "its twopence cheaper, and you get a much better contract from the pawnbroker".

This story, I think, illustrates how an advantageous choice can be made by those who are aware of the consequences in law of their possible courses of action, and who are adequately informed of the terms of the alternative contracts open to them. But most members of the public, (or "consumers", as I shall hereinafter call them) lack both the inquisitive ability and the sophistication of the travelling companions of Oxford Bursars, and for their benefit the law is, I would submit, in need of alteration in several respects. It must not, however, be forgotten that credit grantors, too, are placed under unnecessary difficulties by the present laws of both countries. Any changes in the law must be made in full appreciation of the legitimate requirements of an important—perhaps even vital—industry.

I will make my remarks under the three heads of Simplification, Information, and Enforcement. I must necessarily speak in general terms, and must leave untouched a host of particular problems, some of great importance, though I hope to participate in a number of seminars to be held here in January at which these matters will be discussed.

Simplification

I will begin with an over-simplification. The basic instalment credit transaction is one where goods (or perhaps services) are obtained by someone (the consumer) who, being unwilling or unable to pay for them contemporaneously with their receipt, takes an actual or notional loan from the supplier of the goods or from some third party. The typical moneylending transaction, on the other hand, has two parties only and is not necessarily entered into for the purpose of obtaining goods or services. In either case, the credit grantor may wish to have security that his loan will be repaid. This may be real security, or it may be the personal security offered by a guarantor. If it is real security the credit grantor will, no doubt, ideally wish that it should be realisable not only while the property is in the hands of the consumer, but also if it gets into the hands of others. In those cases where a grant of credit is for acquisition of goods, the security, if any, will usually be over those very goods. In other cases it may take one or more of several different forms. It would seem on the evidence available to us that consumers who take goods on credit usually intend to pay off their debts and the interest on them, and thereafter to hold the goods unencumbered. The consumer, it seems, regards

them as being his property from the time of receipt, at least. These, I think, are the realities of the usual situation.

I doubt if many people would deny that there are at present in use too many ways of achieving the desired ends, or that they would deny that each and every one of the available methods is not, in some way or other, less than perfect. There is no need in the present company to labour this point. Anyone seeking to refresh his memory may do so by reading "Money Which" for September 1969, pages 125-135. The proliferation of the methods employed has come about for various reasons. In part it has been caused by the development of new credit-granting methods, such as the credit-card, or the increased use of revolving-credit retail accounts. In Australia, a strong reason has been the avoidance of the stamp duties, which were imposed on hire purchase contracts, but not on other forms of instalment credit transactions. Sometimes there has been a wish, which can be heartily sympathised with, to avoid the provisions of the Bills of Sale Acts. Sometimes, less meritoriously, credit grantors have been set on avoiding consumer protection legislation, as in the use of the credit sale for motor-vehicle transactions, after the Hire-Purchase Act of 1964 had removed perhaps the principal advantage of the use of hire-purchase by credit-grantors, while preserving the protection of the hirer against having to pay the whole sum owed upon default, or against the exclusion of terms as to quality. Whatever the cause, it must be hard indeed to have to explain to a layman, let alone justify, the necessity for all these different methods, and harder still to explain the overwhelming importance which the law attaches to the form, as distinct from the function, of the particular transactions used in instalment credit and moneylending. Now an essential first step, if one really desires to have informed consumers, who understand the consequences of what they are doing, must, I suggest, be the reduction, on the basis of function, of the forms of transaction available.

It is, I submit, necessary to bring about fairly radical changes here. Such do not seem to come easily to nations whose lawyers and legislators are better used to the gradual alteration of law by the accretion of precedents. The property legislation of 1925, however, shows that complete re-thinking of an impossibly difficult body of law can be successfully achieved, and the tasks given to, and successfully performed by the Law Commission, and, indeed, in this very field, the terms of reference of the Crowther Committee on Consumer Credit do, I believe, point to a different attitude, in the Government of the United Kingdom at least.

There is, I would suggest, no profit in pursuing further as a possible basic form the concept of hire-purchase. Even as affected by Statute it remains absurd, unreal, and unjust to consumer and credit grantor alike. Rental-purchase (hire-purchase without an option to buy) is no more realistic. It would be hard to make the Bills of Sale Acts comprehensible, and being intended to deal with mortgages of already owned property, they are, anyway, inappropriate. (Is it, I wonder, true as has been suggested to me that Parliament intended that the Acts should be unworkable?) The provisions of the Moneylending Acts are, often, traps, and an impediment to business and reflect what is, one must hope, a clumsy and largely obsolete philosophy of legislation. Indeed, if reform did no more than abolish the Bills of Sale and Moneylenders Acts, and replace such of the latter's provisions as remain useful,

the effort would be worthwhile! However, something more positive than that is, I would submit, required.

My unoriginal suggestions are based on the premises, first, that the law exists to further legitimate needs and practices, not to hinder them, and second, that it is the more likely to do this, and, at the same time, give consumers the information which they need, in an assimilable form, if the transactions available are reduced to the smallest number possible. It does not take a very searching analysis to discover that the credit transactions we are here concerned with fall into two groups, those entered into for the purpose of acquiring goods or services and "tied" to that purpose, and those which are not so tied. The latter must be called, rather inelegantly, "non-purchase loans", and are bi-partite. The former group subdivides into two, bi-partite transactions, where the seller provides the credit, and tri-partite, where some third party does so. (I ignore the notional sale to the finance company in some hire-purchase agreements.)

Ideally, if permitted a frolic on my own, I would myself like to see the disappearance of the tri-partite transaction, leaving retailers themselves to finance and take responsibility for their own sales on credit. This would, of course, inevitably be with the aid of finance companies or banks, who would act as the source of the necessary funds, but who would not be brought into direct contact with the consumer. This practice is indeed increasing in Australia but is not yet general. If it were it would itself remove two legitimate complaints often made by finance companies—

- (1) their liability for title and quality, etc. (which would be firmly placed on the seller, where it belongs), and
- (2) their vulnerability to irresponsible "promises" of credit made by the retailers pushing salesmen to those who are only marginally uncreditworthy.

I know that the finance companies have remedies against this, but in practice, when they are heavily involved in competition for dealers' custom, they may find it hard to do much about it. However, the smaller Australian retailers have often not got the facilities to collect instalments and unless this difficulty could be solved by the use of co-operatives, the tri-partite transaction must, for this if for no other reason, remain. We have, therefore to cater for seller-credit, and lender-credit.

The other basic division which we find in examining current trading practices, is that between single-unit transactions and transactions made under revolving credit arrangements, sometimes with the issuers of credit cards but, more often, with retailers. These are of steadily increasing importance in Australia. Now, in Australia no security interest is ever retained by the sellers of goods bought under revolving credit arrangements. For one thing it would be unjust and impracticable, the re-payments being unconnectable with particular goods bought. For another, the kinds of goods bought from retail stores under these arrangements would usually have little value if the security was to be realised. "White" goods do, perhaps, retain value, and if a retailer wishes to be able to repossess, say, a washing machine he will use a separate single-unit transaction. Our enquiries revealed that the bigger firms, at least,

in fact rarely do this. Nor, indeed, is it often that they would need to, for they are properly cautious in extending credit facilities, and have few defaulters, of whom even fewer default intentionally.

It is, of course, entirely reasonable that credit grantors who wish to take security over goods purchased with their money should be able to do so. They will use single-unit transactions, so there is no problem of identification. Obviously, this security interest must always be good against the consumer himself: the extent to which it should be enforceable against others into whose hands the goods may come is perhaps more arguable. Our own view was that in the case of goods other than motor cars the security interest should be enforceable only against dealers in goods of the description re-sold, persons related to the consumer by blood or marriage who live in his household, and *mala fide* re-purchasers. Our information was that the system of registration of security interests in motor-vehicles which is now in force in the State of Victoria was both effective and inexpensive and we therefore (although it is not unusual for Victorians to appear to think highly of their own brain-children), recommended its extension to all States (with an inter-State co-ordinating system) so that a registered security interest would bind all subsequent possessors. I am not myself now convinced that this was a good recommendation, particularly after hearing more of the experience of English credit grantors after the passing of the Hire Purchase Act 1964. It may be, of course, that the great distances of Australia make a difference in the case of chattels which are by definition mobile (at least for a period after acquisition). But, in any event, the answer must be found in examining the costs involved in protecting the security interest and the losses likely to be incurred by failing to do so, and, perhaps, in appreciating that, if one of two innocent parties has to suffer, it was the grant of credit which put the consumer in a position of apparently unencumbered ownership. The problem may not in fact be an important one, particularly if the consumer realises that a wrongful disposition may prevent him ever getting credit again. But the threat of re-possession is undoubtedly a potent psychological weapon in the hands of the credit-grantor faced with a borrower reluctant to pay, and he must be allowed to retain it, even if he is restricted somewhat in its actual exercise. It could, perhaps be argued that in England he is a little too restricted by the restrictions upon repossession imposed by the Hire Purchase Act, but that is by the way.

Yet, given the necessity of the retention of a security interest, it must be one which recognises the true relationship of the consumer to the goods. Hire purchase, and conditional sale, with their retention of the property in the goods by the credit grantor, do not, I suggest, do this. I do not much admire the use of the term "equity" in the goods, but, however it may be described, the consumer ought to have a legally protected interest in the unpaid-for goods, particularly as I do not doubt that in most cases the consumer regards himself as already owning the goods albeit that they are not paid for. The use of the concepts represented in the existing form of credit-sale, plus a security interest by way of a charge (or chattel mortgage), over the goods, seems more adequately to reflect the consumer's true position.

The last thing I will mention under this head is the necessity, if justice is to be done, of separating the loan and the sale aspects of transactions. It

does not perhaps matter so much in the bi-partite transaction, for seller and lender are the same person (quarrels between the sales and credit managers of the same firm, though not unknown, are irrelevant to the consumer). It *does* matter in cases where the seller and the lender are different persons, for here the two elements must be kept distinct if distortion of the true relationships between the seller, the credit grantor and the consumer is to be avoided. The hire-purchase agreement does, in a tri-partite relationship, cause the true nature of things to be obscured. The true seller is not liable as such. The credit grantor, who is, functionally, no more than that, becomes the seller and has to assume the seller's obligations, however ill-fitted he may be to discharge them.

I would submit, then, that all needs can be met, and in a way which does not produce injustice to anyone, by requiring the use of one of the following three basic concepts:

- (1) the credit-sale, where the credit-grantor is also the seller;
- (2) the purchase-loan, where a third party provides the money with which the goods are bought;
- (3) the non-purchase loan, where the loan is not advanced for the purpose of buying goods.

In the first two cases security can be taken over the goods purchased, but the property will have passed to the consumer. In the third it will have to take some other form. I do not deny that skill would have to be used by draftsmen so as to prevent evasion by, say, the use of rentals of goods. If this can be done, then obligations can be made to fall where they should. The seller in a tri-partite transaction, and not the credit grantor, will be liable if, say, the goods are defective. It will, however, be necessary to provide for those few cases where the sale may be properly repudiated by the consumer. Here it might be sufficient to provide for the automatic rescission of the contract of loan, which is, after all, ancillary to the rescinded sale. The credit grantor should be allowed to recoup his loss of profit from the defaulting seller. I think that I would personally prefer such a solution to that which would impose "seller-type" liabilities on the credit grantor if, say, he was in some continuing relationship with the seller, but I am not now as sure of this as I used to be.

The use of sale as the proper form of contract would also allow a better integration than now exists between the laws governing at least some forms of sales on credit, and sales for cash, though it may be that the greater protection given by the Hire Purchase Acts should be retained, if it is felt that cash sales cannot be so treated. It may well be that the person parting with his own cash is the cannier.

Transactions now within the Moneylending Acts could be brought within this legislative scheme and, so far as consumer transactions at least are concerned, the Moneylenders Acts and the Bills of Sales Acts repealed (I myself feel that their total replacement is desirable, but this was not a matter within our terms of reference). It might be that tighter rules might be required for "pure money lending", non-purchase loans, for example, that home solicitation loans should be void rather than subject to a cooling-off period. But perhaps *all* solicitation loans, for whatever purpose, should be void? And

there will be problems to be solved in the matter of preventing the taking of excessive security. But, generally speaking, if the protective provisions of instalment credit are as effective to prevent abuses in purchase-loans as I hope they will be they should in most cases be able to be applied with equal success to other types of loan, from whatever source. A discretionary power to exempt some sources of credit from some of the normal requirements of the law would, I hope, be retained.

Information

May I turn now to a discussion of one aspect of the protective provisions which I would hope to see legislation include, namely, the important aspect of information. I do not mean information for the consumer only: it is vitally important to a responsible credit grantor that he should have in his possession all the facts which will enable him to decide whether, and on what terms, to lend. The deliberate furnishing of false information must be punished. Credit grantors, however, are skilled enough to know what they want, and with the growth of computer-assisted credit rating bureaux, still better able to get it. (I wish I had time to discuss some of the problems which arise here, but I must proceed.) The average consumer is not so sophisticated and present legislation, for that reason, goes a good way to ensure that he is informed about his possible liabilities. There are, however, in my submission, two main defects in the law as it now is. The first is that in one crucial respect, that of the cost of credit, he is not given adequate information. The second is that much of the information he is given comes at a time, and in circumstances, when he is unlikely to profit from it. I much doubt if this second problem is capable of adequate solution so far as most consumers are concerned. I would hope that something useful might be done about the first, though I know that there are difficulties. But unless something is done the ideals, to which lip-service at least is paid by Australian credit-grantors, of a fully competitive finance industry catering for discriminating customers cannot be realised. Reducing the forms of contract, preferably to the credit sale and the loan, is, in my view, as I have tried to show, a necessary first step. But there will still be many different credit grantors operating each type of transaction, and competing both inside and outside the group. How can the consumer decide whether to seek credit from a retailer (under either a single-unit or a revolving credit transaction), or from the makers of loans, whether they be banks (lending on overdraft or by personal loan), finance companies, or the issuers of credit cards or checks? Or from *which* retailer or *which* finance company? Now, until there is some prescribed, uniform way of informing consumers of the cost of the various forms of credit, consumers will be faced with calculations which most of them will be quite unable to make (see, again, "Money Which", September 1969). Uniformity, rather than absolute accuracy is, however, what is needed, and some tolerances might be permitted if the task of giving information is thereby made easier.

It was our recommendation, based upon a most able survey done for us by Mr. G. B. Mitchell of the Department of Commerce of the University of Adelaide, that the effective rate of interest *per annum*, compounded once *per annum*, which is implicit in every consumer credit transaction, should be disclosed. In so recommending we were well aware that some and perhaps most, present-day consumers are likely to be concerned more with weekly or

monthly outgoings from a limited income than with knowing the effective rate of interest. We were not, however, convinced that this would always be so. In any event, some will benefit, for we found that underestimates of the cost of credit are extremely common. We were aware also that there were difficulties for, and possibly even hardships to some credit grantors, e.g., those using revolving credits or making small loans, in some cases. We recognised the possibilities of evasion by the unscrupulous retailer by say, his manipulating the cash price of goods, with its hardship to the honest credit grantor. We considered also whether the cost to credit grantors of providing this information might not be such as to lead to the consumer paying more for credit. (The calculation of effective interest rates is, however, simple enough provided that the repayments are equal, and equally spread over the repayment period.) In spite of our doubts, which are now eased by the knowledge that nine Canadian Provinces and the great majority of the States of the U.S.A. have imposed or are imposing similar disclosure requirements, we recommended that the Australian Governments should require that the effective rate of interest be stated to consumers in all cases. With the lawyer's predisposition towards equality of treatment, we felt that all kinds of credit grantors should be required to do this (an economist might well feel inclined to give preferential treatment to the more efficient sources of credit) even though something of a case can be made out for exempting some credit grantors, particularly credit unions, from disclosure requirements. The possible objections of retailers operating revolving credit accounts that their charges may be put in a bad light, can substantially be met by allowing them to disclose the actual average cost of credit to their customers over some approved period. We carried out an interesting and on the whole re-assuring, investigation into this matter, with the co-operation of a leading Adelaide store, the results of which are set out in Mr. Mitchell's memorandum. The average cost of credit of the 101 accounts examined was 14.2% (or 15.1% if the accounts involving no charge were excluded). The effective rate of interest at 1.25 per dollar per month is 16.1%. Thirty-four customers paid more than 16%.

Now there are two distinct systems of accounting for revolving credits in operation in Australia; in one of them the nominal rule of interest cannot understate the effective rate, but may overstate it. Usually, therefore, credit charges tend to be higher. But whatever method is used, there seems to be no reason why even in revolving credit accounts, the nominal annual effective rate should not be disclosed, even if some consumers, who know and take legitimate advantage of the rules of the game, by, for example, purchasing early and paying late in the month may pay less.

In addition to the effective rate of interest, in all kinds of purchase transactions, it is necessary that consumers be told—

- (1) the cash price of goods,
- (2) the absolute amount of the charges referable to the grant of credit (unless this is within the control of the consumer), and
- (3) the deposit (if any), and the number and amount of instalments.

Armed with this knowledge they will be able to "shop around". But only, in many cases, if they are in possession of it early enough, that is, before they are psychologically committed to a purchase of particular goods. The well-

intentioned efforts expressed in the Hire Purchase Acts of both countries, requiring a notice containing essential terms to be furnished "before any hire-purchase agreement is entered into" (the Australian Acts) are next to fruitless because they can be complied with by serving a notice immediately before signature. And it must not be forgotten that in many cases the salesman, albeit contrary to law, will be receiving a secret commission from the credit grantor whose facilities he is ushering the consumer into using. He is not likely to encourage further investigation.

One partial solution is to be found in the regulation of advertising, requiring credit grantors who give some information about the terms of credit, to give all. But this could not, I believe, be required of advertisers who refer merely to the availability of credit: credit grantors may well be entitled to fix different rates for different customers, depending, e.g., on their creditworthiness or the security available. (Misleading advertising as by offering rates "from as low as 'X' per cent." must, in this respect as in others, be prevented.) Next, I should not think that it would be an undue burden on credit grantors to be obliged to quote terms to bona fide prospective borrowers interested enough to shop around, but whether this would help most consumers is doubtful. I fear that unless legislature is bold enough to impose a *locus poenitentiae* in all credit transactions the most that the law can do to secure early disclosure is by encouraging a state of affairs in which the forces of competition may themselves bring this about. The world will, it may be hoped, flock to the door of the cheapest.

Enforcement

I have discussed two areas of our laws which in my submission are in need of legislative attention. I would like to conclude by mentioning a third, that of the supervision and enforcement of the law. No matter how ideal the legal structure, it is going to be useless unless it provides—

- (1) efficient remedies which are, in practice as well as in theory, open to those whom it seeks to protect, *and*
- (2) effective sanctions against breach.

One problem from which the making of loans has rarely been free has been that of the rapacious lender skilled in the evasion of the spirit and the letter of the law. Had Parliament had greater confidence in the law's ability to prevent evasions by such persons the Moneylenders Act of 1900 might, as first intended, have imposed a ceiling of 10% interest on the loans falling within its scope. It did not do so, but it did impose what are sometimes disproportionately drastic sanctions, civil and criminal, for breaches of the requirements (which are mostly of a formal nature).

Now, the law must have the power to deal with the unscrupulous. Yet it must do so without, as do the Moneylenders Acts, unduly hampering the decent conduct of business by the great majority of reputable credit grantors. How can it do so?

One might deal with some of the difficulties, by provisions in the Act itself. One possible way of dealing with extortionate interest rates would be to fix one (or more) rate ceilings high enough to allow reasonable lenders to operate

but not so high as to permit exploitation of the necessitous. There are, however, valid objections to this, one of which is that it may cause more harm to the really necessitous than it avoids, by driving them into the arms of illegal moneylenders who are entirely uncontrolled. Could this difficulty be in some cases solved by investing some one with a discretionary power to raise the rate ceiling in proper cases?

Again, disclosure of information, although in most cases vital, may not in all cases be necessary, or it may be particularly difficult (as, for example, in calculating the annual effective rate of interest in cases where, because of the seasonal nature of the consumer's employment, he may wish to have his repayments spread unevenly over the repayment period). Here again, the existence of a discretion to relax might be of benefit.

In the field of consumer credit, as elsewhere, it is idle to have rules which are not enforced. It is better, perhaps, not to have rules at all (it was for this reason that we felt that we should recommend the abolition of minimum deposit requirements). I think it will be agreed that it is useless to rely much on civil sanctions. The occasional avoidance of a loan, with costs, is going to deter no one who is prepared to flout the law for his own profit. "The reluctance of individuals to take cases to Court is notorious", as the excellent Nova Scotia Report on this matter avers.

The Australian legislatures rely heavily in this field on criminal sanctions, and therefore depend less on the resolve of the individual litigant. Prosecutions, however, seem to be extraordinarily rare, largely, one suspects, because the police forces whose task it is to bring them, regard the enforcement of the Hire Purchase Acts as a peripheral activity. The criminal sanction might, however, be more effective if there was someone whose particular duty it was to see to the enforcement of this part of the law.

Probably the best deterrent, however, lies in the fear of loss of licence. All credit grantors (except banks) should require a licence, which could be withdrawn, by the licensing authority for misconduct or incapacity. We recommend that the licensing authority should be a special administrative tribunal, whose decisions should be subject to appeal. If such a tribunal is to operate satisfactorily, it must be fully informed of cases of misconduct. Whose task should it be to do this? The police may be little interested, and the affected citizen may be unaware even of the authority's existence.

The functions which I have briefly mentioned, and a number of others, should, I suggest, be performed through the creation of an office or department charged with the duty, among many others which I cannot here mention, of keeping consumer affairs and the operation of credit legislation under surveillance. Such an officer would, moreover, necessarily build up a fund of information which would be of the greatest assistance to those concerned in the periodic reviews of this important field which will inevitably be necessary. It is not easy to get the statistical and other information one really needs and the lack of it may lead to new laws being worse than they might be. This would be a valuable by-product. But even without it the creation of a new office is indicated. Indeed, I confess that I cannot see how instalment credit regulation, with all its complexities, can hope to be effective without the surveillance which such an office would provide. We therefore recommended the

establishment in each State of a Commissioner for Consumer Affairs, charged, *inter alia*, with the duties I have mentioned.

I hope that what I have said about some of the problems of consumer credit as we saw them in Australia has been of some interest to an English audience. Like all of you we eagerly, and like some of you, perhaps, nervously, await the publication of the conclusions of the Crowther Committee in the especial hope, in our case, that they will not be too dissimilar from our own findings. I am particularly glad to see among the many distinguished persons present, some members of that Committee, but I have not, unfortunately, been able, in the agony of the moment, to interpret the expressions on their faces as indicating either approval of or disgust with the views which I have been honoured in being allowed to present to you tonight. May I express to you, and to Queen Mary College and the University of London, my thanks for having been given this opportunity of addressing you.