



MEDIA RELEASE

Another fin-tech preying on the vulnerable – this time with rental payments

Financial Counselling Australia (FCA) says a new product for home renters is yet another alarming example of a fintech company taking advantage of loopholes in the credit laws.

“A company called [Tenanting](#) is offering a product that taps into the buy now pay later (BNPL) ethos of “pay in four” but charges a steep fee of 5% per rental payment” said James Hunt, FCA’s Policy Lead.

Some people will become trapped in a cycle of debt, as paying back the cost of the loan may mean they are caught short when the next rental payment is due. If you pay your rent weekly, a cost of 5% each week, equates to 260% per annum.

Financial counsellors are warning people against using products like this for day to day living expenses.

“Using products like these might seem easy and harmless but the charges quickly add up and the next thing you know, you’re in even more financial trouble,” Mr. Hunt said.

“People who are struggling financially may be tempted to use this new product but we’re very worried that will only exacerbate financial hardship.”

FCA is calling on the Government to establish an independent review into these new forms of credit to make them safer.

“Our credit laws are failing to safeguard the most vulnerable in our community. We’re calling on the Government to commission an independent review of the industry, with the view to develop fit-for-purpose safeguards that will make these products safer for everyone”.

FCA first wrote to the Government in December 2021 to highlight the harm financial counsellors were seeing in their casework from BNPL products.

This latest example of a new fintech entering the market reinforces the need for urgent action. FCA has written a follow up letter to the Minister of Financial Services and Treasurer with this further evidence, reiterating our call of an urgent review.

People in financial stress and who may be struggling to pay their rent can contact a free and independent financial counsellor on 1800 007 007 or visit ndh.org.au.

To arrange an interview please contact Maura Angle on 0418 334 121 maura.angle@financialcounsellingaustralia.org.au.

Notes:

- Financial counsellors are seeing increasing numbers of people experiencing hardship exacerbated by BNPL. People are too easily becoming overcommitted and struggling to make repayments. Our recent survey found that 12 months ago 31% of financial counsellors said that half, more or all of their clients had BNPL debts, this figure is now at 84%. The full report can be found [here](#).