



# MEDIA RELEASE

## **Financial counsellors call on all parties to commit to stronger safeguards for the buy now pay later industry**

Financial Counselling Australia (FCA) has welcomed the ALP's commitment to establish stronger regulations for the buy now pay later (BNPL) sector if it wins office at the election.

FCA agrees with Labor's spokesperson on Financial Services, Stephen Jones, that the BNPL industry is operating in the credit market and requires some level of regulation.

"The ALP's commitment is good news because it is looking to put consumer safeguards in place, however, it will not be enough to simply take the industry's weak self-regulatory code and put that into regulation" said Fiona Guthrie, CEO of Financial Counselling Australia.

"Industry self-regulation of the BNPL industry is woefully inadequate. BNPL providers should, at the very least, be required by law to assess whether a person can afford to repay a BNPL debt" she said

FCA is calling on other parties and candidates to support greater consumer safeguards for BNPL. This should also extend to other forms of unregulated credit, such as wage advance products.

A 2021 survey of financial counsellors found 61% said most or all their clients with BNPL debt are struggling to pay other living expenses. Clients are experiencing financial stress because they have become overcommitted in using the product.

"Financial counsellors are seeing people with multiple BNPL debts. They are really concerned that so many clients are using the product to cover essentials like food, medications and utility bills.

"We know these products cause harm. BNPL is credit and should be regulated like other credit products," she said.

People in financial stress and who may be struggling with BNPL debts can contact a free and independent financial counsellor on 1800 007 007 or visit [ndh.org.au](http://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 their clients had BNPL debts, this figure is now at 84%. The full report can be found [here](#).

Financial counsellors are not financial planners or advisors. They work in not-for-profit organisations, providing a free and independent service to people in financial hardship.