

THE COOL CONSUMER



Moving out of home? Get your wallet out!

For lots of young people looking for more independence, 'moving out' and away from parents seems a good idea, but if you are a first-time renter there are a few things you should know so the experience doesn't become a nightmare.

Sharing

You will probably want to share with other young people to save money but first you need to find a place. Check out real estate agents or the rental section in the local paper.

Can you afford it?

Before you think of moving out, do a budget of your income and expenses. Apart from the rent, there will be other household expenses such as electricity and excess water. Then you have to add your living expenses such as food, phone, entertainment, clothes, fuel and so on, and don't forget that if you have a credit card, you need to keep up those regular payments.

Are you eligible for rent assistance? Check with your local Centrelink office.

Who do you share with?

This is best worked out before you move into a place so that you can choose the people you think you can live with, and you can all agree on the place to rent and the house rules.

When you are ready to join the others, make sure you agree on how the household costs will

be shared, who is responsible for paying the bills and the consequences of not keeping up the rental payments.

Make sure the other people have regular incomes because at any time during the tenancy, if they can't pay their share of the rent, then it is up to the other people to make up the difference, as the rent is payable by the collective tenants, irrespective of how many people are on the lease.

Paying the security deposit (bond)

At the beginning of a lease you will need to pay a security deposit (commonly known as a bond) which is equivalent to 4 weeks rent. You will also have to pay rent up to 2 weeks in advance.

This money is held by the landlord as security against damage caused by the tenant, unpaid rent, paying to clean the place if it is left unreasonably dirty or paying other costs that are prescribed by law.

When sharing a house or unit with others, and sharing the bond, it is important to ensure that all the names of the people who are contributing to the bond appear on the receipt.



CASE STUDY

Tanya was 19 years old and decided to share a house with two of her best friends, Cassie and Lana.

The bond was \$920 (4 weeks rent) so they all put in \$307, Tanya paid the money to the landlord's agent, and

received a receipt in her name.

This worked well for just over a year, when Tanya left Darwin for England.

The other girls decided to continue with the tenancy for another two years.

When the girls wanted to leave at the end of

the tenancy agreement they were unable to get their bond back as it was receipted in Tanya's name only.

Unfortunately they had lost touch with Tanya over the years, and had no proof that part of the bond money belonged to them.

EDUCATE YOURSELF ABOUT RENTING!

Consumer Affairs provides valuable advice on renting on its website www.caba.nt.gov.au. You can also get a copy of the booklet 'A Guide to Renting in the Northern Territory' from this website or by contacting Consumer Affairs on 1800 019 319.

QUESTIONS & ANSWERS

Can I break my tenancy lease early?

ANSWER: A tenant in a 'fixed term lease' is expected by the landlord to remain in the rental property for the full lease period.

If you want to move out early, you will still be responsible for the rent for the remaining period of the lease or until the premises are re-let.

If you do intend to move out early, give the landlord as much notice as possible (in writing) of your intentions, so that you and/or the landlord can find a new tenant before your planned departure.

Hardship

If you are breaking the lease because your personal or financial circumstances have changed (for example, you have lost your job, or become ill), you can apply to the local court to have your lease terminated early under the hardship provisions of the *Residential Tenancies Act*.

To find out more about your and your landlord's responsibilities visit www.caba.nt.gov.au and click on the Residential Tenancies section or call Consumer Affairs on 1800 019 319 (toll free).

What can I do if the landlord won't carry out repairs on my rented property?

ANSWER: It is the landlord's responsibility to maintain the property during the tenancy.

You should notify the landlord (in writing) that repairs are required.

Emergency repairs should be carried out within 5 business days from receiving your advice. Other repairs should be completed within 14 working days.

Every effort should be made to resolve any repair concerns you have between you and the landlord, however if the repairs are not made within a reasonable period, as a last resort, you can apply to the Commissioner of Tenancies for an order to the landlord to carry out the repairs.

You must keep paying the rent even if repairs are delayed or you could be evicted.

For further information call Consumer Affairs 1800 019 319 (toll free).

ABOUT MOBILE PHONES

Choosing a mobile phone

Firstly, ask yourself these questions –

- Why do I really want a phone?
- What is it going to cost me?

The supply of mobile phone services is a very competitive market, so shop around.

Contracts

Some network service contracts are for a fixed term and the phone company connects you to a network for a monthly fee.

Pay Monthly (no contract)

If you own your own handset, most mobile phone companies offer to connect you to a network on a month-by-month basis. This offers you flexibility to change monthly plans.

Pre-paid

Pre-paid mobile phone services give you more control over the amount you spend.

No contracts. No bills. NO WORRIES!

Use the phone's security features

Most phones have security features which you can use to stop other people using them. For example, you can set a Personal Identification Number (PIN) that must be entered before anyone can use the phone.

This feature protects you from someone who might be tempted to 'borrow' your phone and make a few expensive calls without your knowledge.

Know your IMEI number

Every mobile phone has a unique 15-digit serial number known as the International Mobile Equipment Identity (IMEI) number. Dial *#06#. This should make the serial number pop up, so keep it in a safe place in case your phone is lost or stolen.

Report your lost or stolen phone immediately

Notify your network carrier AND the police immediately if your phone is lost or stolen. Tell them your IMEI number, and they will be able to block your handset so even if the thief changes the SIM card, your phone will be totally useless. Act fast to stop unauthorised calls being made from your phone.

Protect your personal information

If you decide to sell your old mobile phone or give it away, it is important to protect your personal information.

DID YOU KNOW that the information stored on the phone SIM card may also be stored in the phone memory?

Some people remove the SIM card from their phone believing that they have deleted all their personal information. If the phone memory is not deleted, the new phone owner may have access to your stored phone lists, stored bank account details and other personal information.



PHONE BULLYING

What you need to know to get the bullies off your back

Bullying, at any level, is not acceptable, and there is something you can do about it.

Make sure you only give out your phone number to the friends you can trust.

Don't respond to unwanted calls and/or SMS

Bullies get a kick out of upsetting their victim, so if you don't let them know they've upset you, you've taken away half their fun.

Don't respond to insulting messages. Save the message and tell your parents, teacher or another adult.

The law is on your side

It is a criminal offence to use a mobile phone to menace, harass or offend another person.

Numbers beginning with 1900 and 1300 are used to access information, or enter competitions – **THESE ARE NOT FREE CALLS** and they can be costly.

1800 numbers are toll free when calling from a handset but call rates apply from a mobile phone.

Phone bills can skyrocket if you download songs from the internet, download ring tones or order products using SMS.

BUYING A USED CAR? PROTECT YOURSELF

Buying from a Northern Territory Licensed Motor Vehicle Dealer (LMVD)

The dealer has to make sure that the car is roadworthy and fit for registration. It is covered by a 3 month or 5000 kilometre warranty (whichever comes first) if the car is less than 10 years old or has travelled less than 160,000 kilometres.

Buying Privately

If you buy a car from the side of the road, from a person visiting your town, or from one of your mates, the 'good deal' may not be the 'best deal' in the long run.

There is no protection when buying from a private person. You might end up paying thousands of dollars more than the car is worth.

What if money is still owing on the car from the previous owner?

Licensed Motor Vehicle Dealers cannot sell you a vehicle when there is money owing on it.

Private sales are between two 'unlicensed' people and therefore the responsibility is on the buyer to check it out.

DON'T RISK IT – REVS CHECK IT

You can check that no money is owing on the car or that it is not stolen by telephoning the Registrar of Encumbered Vehicles (REVS) on Freecall **13 32 20** seven days a week, or check the web site www.revs.nsw.gov.au.

Further advice on buying a used car is available on the web site www.caba.nt.gov.au under the Motor Vehicles heading, or phone Consumer Affairs on 1800 019 319 (toll free) and a fact sheet will be posted out to you.

SHOPPING HINTS

Bag Searches

Because of the increase in shoplifting, many stores now display signs advising customers they may be asked to show the contents of their bags before leaving the store.

If you don't agree with this store policy, you should not enter the store.

The trader can look in your bag but must not touch the contents or put their hand into your bag.

A shop is private property (not a public place) so the trader does have the right to politely ask you to leave the store and refuse to sell you any goods.

The trader can call the police if there is reason to believe you have committed an offence.



GIFT VOUCHERS – the perfect hassle-free gift

Gift vouchers are great gifts – you get to choose the exact item you want.

Gift vouchers are a contract. The person using the gift voucher has the right to receive goods to the value nominated on the voucher and is bound by any conditions specified on the voucher.

Make sure the voucher states clearly any conditions applying to its issue, and includes the value of the voucher and the expiry date.

Shopping with a gift voucher

The gift voucher is for use within a particular store, and the trader has the right to insist that the entire voucher be spent within the store.

Get the knowledge on lay-bys

Lay-by sales are contracts between a trader and a consumer where the trader holds the goods until the selling price is paid, by regular instalments.

Traders must display their lay-by terms and conditions. Make sure you understand those conditions before you lay-by items.

The conditions should include:

- the amount of deposit and the date the item needs to be paid off by;

- the regular amount of payment required; and
- the cancellation policy, which should include how much money the trader will keep if you cancel the lay-by.

Make sure you keep the receipts each time you make a payment.

Cancellation of the lay-by by the trader

If the trader wants to cancel the lay-by because you have not paid in time, they must

write to you and give you 14 days to reply or pay the amount owing.

Temporary hardship

If you find yourself in a position where you cannot afford to pay the amount required by the due date, give the store a call before they start hassling you.

Most traders will happily come to an arrangement with you for the payment of monies owing.

Cancellation of the lay-by should be a last resort.

Who's responsible for the warranty when something goes wrong with goods you've bought?

If there is a problem with an item that you have recently purchased you should go back to the place it was bought and ask the trader to fix the problem.

There are a few ways that the trader can fix the problem.

Refund, Replacement or Repair

You have a right to a refund, replacement or repair if the goods you purchased are faulty.

You cannot expect a refund if there is nothing wrong with the item – if you've just changed your mind, or don't like the colour. You are not entitled to a refund, replacement or repair if you have misused or broken the item through rough handling.

Warranties

Some items are supplied with a warranty for a specific period, such as watches, televisions, DVDs, MP3 players etc, while others are not, such as clothing. However if the stitching gives way on a dress or trousers you have just bought, you are still entitled to your consumer rights (that is, a refund, replacement or repair).

If you aren't satisfied with the response you get, contact Consumer Affairs on 1800 019 319 (toll free)



Audio-visual equipment

Check it out. Many brands are not able to be serviced in the Territory and often have to be sent interstate for repairs. Sometimes parts are not available in Australia and have to be sourced from overseas, which means it can take months to have equipment repaired.

Here are some practical hints for shoppers:

Buy reputable brands

- Ask the trader about the best brands;
- Ask them about the most common things likely to go wrong with the brand you are thinking of buying;
- Buy locally. It may be cheaper in the long run, and you can discuss any problems face to face with the trader.

Buying interstate or overseas

If you buy interstate or overseas, you may find that you have to send the item back to the place of purchase, at your expense, if there is a warranty claim.

In most instances a local dealer cannot be expected to handle your warranty and deal with the manufacturer if you didn't buy it from them.

If you have problems with goods purchased interstate, Consumer Affairs can assist by putting you in touch with the relevant Fair Trading Office in that state.

If you are not satisfied with the response you get, contact Consumer Affairs 1800 019 319 (toll free).

Interest free loans

When you are strapped for cash and the credit card has reached its limit, taking advantage of deals offering NO deposit and NO interest for a number of months or years can make that dream TV, computer or home theatre system seem more affordable.

Many retail stores offer interest free loans. Credit for interest free loans is usually provided by a finance company through the retail outlet.

You need to read the credit contract carefully. This type of credit may only be interest free if you pay the entire amount borrowed within the stated 'interest free period'. If you don't pay off the entire amount then interest may be charged from the day the credit was provided.

IT'S YOUR MONEY - STAY IN CONTROL!

Hints on choosing credit

- Shopping around can save you money.
- Don't automatically take the credit suggested by a sales person. It may not be the best deal.
- Check out the interest rates offered by different lenders.

Signing a credit contract

Putting pen to paper BEFORE you're ready can get you into BIG trouble.

Read the credit contract carefully, especially the small print. A contract document is legally enforceable, and the law assumes that if you have signed something, you have also read and understood it. If you don't understand any part of the contract, don't be pressured; take it away and get some independent advice before you sign.

Store your copy of the contract in a safe place.

Principal and interest

When you use credit you are using someone else's money (the lender's). You will need to pay the amount you borrowed back – this amount is called the principal.

You will also be charged interest by the lender. The interest rate will usually be expressed as a yearly rate (the annual percentage rate), for example 14% pa.

Lenders will usually calculate interest charges on a daily basis, by multiplying the debt that you owe each day by the annual percentage rate and then dividing it by 365. These interest charges are usually added to your loan account each month.

Drowning in credit card debt - a case study

When Natalie first got a credit card, her limit was \$2000. Because she had a good job and paid what she owed on time, the bank increased her limit to \$7500.

Natalie went on a holiday and charged all costs to her credit card. She soon found she had spent up to her limit, which left her with a minimum payment each month of \$240, and as more credit became available, she kept spending.

Natalie sought help from a financial counsellor and was shocked to be told that her \$7500 credit card debt would take almost 20 years to repay and if she only paid the minimum repayments (at 17% pa interest) she would pay almost \$20,000 in interest!

Worse news was to come...if Natalie kept on spending up to her limit and only made the minimum repayment she would **NEVER** pay off the debt.

Natalie got a personal loan to pay off the debt at a much lower level of interest. It will take her only four years to pay off the debt at \$228 a month.

Natalie now has control over her financial affairs.

