



Press Release

Ngā Tāngata Microfinance Emphasises Importance of CCCFA and Responsible Lending to Protect Vulnerable Borrowers

Auckland, New Zealand – 15 November 2024 – Ngā Tāngata Microfinance, a non-profit organization committed to supporting financially vulnerable New Zealanders, welcomes the Commerce Commission's recent penalty against a lender charging up to 182.5% interest on high-cost loans. The Commission has imposed a \$200,000 penalty, underscoring the critical role of the Credit Contracts and Consumer Finance Act (CCCFA) and responsible lending practices in protecting vulnerable borrowers from exploitative financial practices.

Considering the penalty interest charged by that lender, Ngā Tāngata Microfinance reaffirms its commitment to offering ethical, interest-free loans designed to provide New Zealanders with a "hand up" rather than a "hand-out." The organisation also stresses the vital importance of robust regulatory frameworks like the CCCFA to prevent predatory lending practices that can trap vulnerable borrowers in cycles of debt.

"We are deeply concerned by the damaging impact of high-interest loans on vulnerable New Zealanders, particularly in times of financial hardship," says Vijay Farley-Naiker, General Manager of Ngā Tāngata Microfinance. "While the penalty against this lender is a positive step, it also highlights why we need strict regulations and comprehensive responsible lending requirements to ensure no one is taken advantage of when they are most desperate for financial support."

The CCCFA was introduced to ensure that lenders treat borrowers fairly, lend responsibly, and provide clear and transparent information about loan terms and conditions. It specifically aims to protect people from unaffordable and unfair lending practices that can cause long-term financial harm. Under the CCCFA, lenders are required to assess borrowers' ability to repay loans and offer terms that are suitable for their financial circumstances.

Ngā Tāngata Microfinance strongly advocates for the enforcement of the CCCFA to curb the practices of high-interest lenders who prey on people in vulnerable situations. "Responsible lending goes beyond legal compliance—it's about ensuring that borrowers are not placed in positions where they can't realistically repay their loans, leading to increased debt, financial stress, and further hardship," Vijay adds

Ngā Tāngata Microfinance provides a vital alternative by offering ethical, interest-free loans to individuals and families experiencing financial hardship. Each loan is designed to give borrowers the opportunity to build a stronger financial future without the burden of high-interest rates or hidden fees. The organization is proud to be part of a growing movement that promotes financial inclusion and empowerment for all New Zealanders.

"As the Commerce Commission's recent action shows, there is still much work to be done to protect vulnerable borrowers," concludes Vijay. "Ngā Tāngata Microfinance is committed to continuing its work in helping New Zealanders access fair and responsible financial support—because we believe everyone deserves the chance to thrive, not just survive."



For further information, please contact:

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About Ngā Tāngata Microfinance

Ngā Tāngata Microfinance is a small, non-profit organisation focused on helping financially vulnerable New Zealanders get ahead with money. We provide ethical, interest-free loans that give Kiwis a ‘hand up’, not a ‘hand-out’.

Ngā Tāngata means ‘for the people’ in Māori, which perfectly sums up what we’re about. We’re here to help people on low incomes to avoid the trap of ‘loan sharks’ and high-interest loans, to learn financial skills that last a lifetime, and to be able to better look after their families.

Our goal is to break the cycle of financial stress, to empower New Zealanders to become more financially capable, and to help them become better off in the long term.

For their families, for their future, and for generations to come.