

## Activity A

Watch Consumer issues – pay day loans and choose the correct answer to complete the sentence.

1. Van goes to the loan company to get extra money because he wants:
    - a. to get \$500 each week
    - b. to be able to pay his rent this week
    - c. to buy a car.
  
  2. Van plans to pay back the loan by:
    - a. getting money from his friend to help him
    - b. getting extra shifts at work
    - c. trying to get another job.
  
  3. The loan company asks Van:
    - a. for his bank details
    - b. if he needs information about the loan
    - c. if he can afford the repayments.
  
  4. Van has to pay extra fees for the loan because:
    - a. he wants to borrow more money from the loan company
    - b. he did not show the loan company his bank details
    - c. he did not have enough money in his bank account when the loan company tried to take the repayment money out.
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## Activity B

Watch the story again. Match each word or expression on the left with its meaning:

Pay day loan	A small government payment that may help people in financial hardship pay their bills
On the spot	The amount of money you have to pay back on top of the money you borrowed
Interest	You don't have enough money to pay what you owe
Direct debit	Someone who can help work out money problems
Debt	Something that sounds much better than it really is
Too good to be true	Right now
Financial counsellor	A short term loan that is very expensive because of high interest and fees
Financial hardship	Money is taken out of your bank account electronically
Hardship utility grant	Money that you owe

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## Activity C

What is the important information? Read the statements and circle True or False.

- |                                                                                                                                     |              |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. You should not take out a loan without working out how much interest you need to pay, and whether you can afford the repayments. | True / False |
| 2. The interest you have to pay on cash or pay day loans can be very expensive.                                                     | True / False |
| 3. Loan salespeople just want to help you get cash fast.                                                                            | True / False |
| 4. It is ok to take out a pay day loan if you are in financial hardship.                                                            | True / False |
| 5. You can ask for more time to pay back a loan if you are in financial hardship.                                                   | True / False |
| 6. Financial counsellors can give you free advice if you are in financial hardship.                                                 | True / False |

## Activity D

### Discussion

What advice would you give a friend who wanted to get a cash or pay day loan?

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## Activity E

Watch Consumer issues again. Look for the screen that tells you where to get help, then complete the missing information in the boxes.

Service	Web address	Phone number
Consumer Credit Legal Service		
Legal Aid WA	<a href="http://www.legalaid.wa.gov.au">www.legalaid.wa.gov.au</a>	
Financial Counsellors Association of WA		
National Debt Hotline	<a href="http://www.ndh.org.au/">http://www.ndh.org.au/</a>	1800 007 007
Australian Financial Complaints Authority (replaced Financial Ombudsman Service and Credit and Investments Ombudsman)		
Translating and Interpreting Service	<a href="http://www.tisnational.gov.au">www.tisnational.gov.au</a>	

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