



ACDBA supports call for continued funding of financial counselling services

For operators in the debt collection industry, a key challenge is maximising engagement with consumers to ascertain their ability to repay accounts owing.

Lack of effective communications can lead to protracted and expensive collection activity, and potential adverse consequences for consumers. It is for this reason that many ACDBA members have developed closer relationships with Financial Counselling Australia and its staff, since not-for-profit financial counsellors are highly effective at objectively determining the circumstances of their clients and providing creditors the key information required to work towards a mutually beneficial resolution.

The FCA's financial counselling helpline is widely promoted by a number of major government departments, finance industry peak bodies and dispute resolution schemes¹. The ACDBA therefore supports the FCA's call to the Federal Government to end funding uncertainty for financial counselling services², noting the significant likely impacts of a loss of funding when contrasted with the documented benefits of the Federally Funded FCA services.

It is probable that cuts to FCA funding would not equate to real net 'savings' since government agencies and businesses would incur an equivalent if not higher cost resulting from the loss or reduction of existing FCA services. This does not count the considerable human cost, given the FCA helpline this year will handle 140,000 calls for help and provide on-site assistance to 80,000 people in financial distress.

¹ Refer <http://www.financialcounsellingaustralia.org.au/Corporate/News/Website-Audit-Demonstrates-Importance-of-Financial>

² Refer <http://www.financialcounsellingaustralia.org.au/Corporate/News/Financial-Counsellors-Call-on-the-Federal-Governme>