

Book-up

What is book-up?

Book-up is short term credit offered by a shop owner that lets you buy goods or services and pay for them later. Some shop owners will charge a fee for allowing you to use book-up.

Generally, when shop owners charge fees for book-up, they need to follow the credit laws. This means they need to have a special credit licence and they are not allowed to offer credit if you can't afford to repay them.

In remote areas, book-up is often the only or most convenient way to buy goods on credit or get a cash advance.

Good book-up

A good book-up service is one where:

- prices of goods or services are the same whether you pay cash or use book-up
- the prices of goods are clearly marked either on the shelf or on the goods themselves
- the shop owner keeps proper records each time you use book-up to buy goods or services
- you can see your book-up records when you want to
- the shop owner provides you with an itemised record showing items purchased and cost
- the shop owner makes no charge, or a reasonable charge, for using book-up.

Disadvantages of book-up

There are disadvantages in using book-up, including:

- the shop owner may ask for a form of security which is unsuitable for you
- it can be easy to get into too much debt
- there may be high fees for using book-up
- there may be a lack of choice in shopping outlets
- the shop owner may keep poor records of customer purchases
- there is a risk of theft, fraud and unfair conduct.

Security

Shop owners will sometimes take a form of security from you. Shop owners do this to make sure they receive payment for the goods and services bought using book-up. The problem with this type of security is that it is easy for shop owners to stop you getting access to your own money.

Some examples of security are:

- having welfare cheques sent directly to the shop owner
- bank debit cards with PINs left with the shop owner
- regular bank transfers set up from the customer's bank account to the shop owner
- government payments transferred to the shop owner through the Centrepay system.

Checklist for customers

To avoid problems when using book-up, you should make sure you:

- never give the shop owner your PIN number
- don't give the shop your credit/debit card
- know when you have to pay the bill
- don't buy things you don't really need - it can be hard to get out of debt
- keep a copy of the arrangement and all receipts
- have access to check your account records
- understand any fees and interest that may apply
- get the terms and conditions in writing
- confirm that your records will be confidential
- are clear with the shop owner about who in your family/household is allowed to charge items to the book-up account.

If things go wrong for you

If there is a problem with your book-up account, it is important to try to work it out with the shop owner by showing the shop owner copies of the receipts you have kept as proof of purchase.

If you and the shop owner can't come to an agreement, you should contact ASIC on its Indigenous Help Line number 1300 365 957 or visit www.moneysmart.gov.au or alternatively contact Consumer Protection on the numbers below. We have Indigenous officers who can help you make a formal complaint.

Contact

Contact us if you want to find out more about a specific situation or make a complaint.

Call: **1300 30 40 54**

National Relay Service: **13 36 77** for the hearing impaired

Email: askus@dmirs.wa.gov.au

Write to: Locked Bag 100 EAST PERTH WA 6892

 **AskUsCP**

 **@indigcp**

There is a template of letters and official complaint forms on our website www.commerce.wa.gov.au/consumer-protection