

## Bankruptcy and Credit Blacklist Rates Soar in Toowoomba

21st September 2016 6:00 AM

by Meghan Harris

A RECENT report shows there has been a 30% increase in Toowoomba residents declaring bankruptcy in the last quarter.

It also showed one in 10 people in Toowoomba and the Darling Downs were banned from borrowing with mainstream financial lenders.

The report was conducted by Australian Financial Security Authority and showed Toowoomba and the Darling Downs as one of the main areas in Queensland for people facing financial trouble.

Credit compliance expert Laurence Barlow said this had contributed to a massive credit crunch in the region.

"One in 10 people have been banned from borrowing with mainstream financial lenders because they've been late, or haven't paid bills from mobile phone companies, utilities or credit providers," he said.

"There is a growing number of cash-strapped locals getting themselves into financial trouble."

But there is a new solution that may help many barred from mainstream financial lenders get their names off the credit blacklist.

Mr. Barlow is part of the team that created the new DIY app, Credit Reboot, which helps people get off the financial blacklist by cleaning up their credit report.

"When you can't use the traditional sources of borrowing to set up a phone account or open a gas connection on your new home, for example, it can lead to all sorts of problems," he said.

"The majority of these credit problems stem from an unpaid mobile phone bill - the Telcos are brutal.

"If you're more than 60 days late paying a telephone bill that's more than \$150, you can be blacklisted from getting credit for five years.

"Most people don't even realize what's going on - they only find out when they try to apply for a credit card or set up a utility account." A couple of unwise decisions later - like resorting to pay-day loans - and things can quickly spiral into a cycle of more debt."

Toowoomba woman Ann Walters has been on the credit blacklist before and knows just how easy it is to fall on to the list.

"I've been a low income earner since 2011 and due to that I can sometimes pay bills late," she said.

"As a result of this companies are quicker to prosecute me. It is so easy to get on the list."



Unlocked Finance broker Jacob Cadman said it was average people who were on the blacklist.

"It can affect anyone and at least 25% of our clients have some type of default beside their name," he said.

"It is important to know how to avoid it and repair your credit score."

For people wanting assistance with the app phone Unlocked Finance on 1-800-286-562.

### How you can get blacklisted

1. Telco bill: This is the main area where locals get into strife and the big players are the worst. If they want to, they can mark your credit file if you're more over 60 days late on a payment of \$150 or more.
2. Credit cards: A credit card or personal loan payment made more than 14 days late can mean your credit rating is downgraded and after 60 days you can get a default which stays on your file for five years.
3. Utilities: Late payments for utility bills such as gas or electricity can affect your credit score if you're 60 days or more overdue on payment.

### Credit Reboot

- Credit Reboot is an app which takes users through a series of questions to identify where the faults are in their credit file.
- It then runs an automated search through the complex Credit Reporting Code to identify where the credit provider has made errors in marking the consumers the credit file.
- Documents are then electronically prepared and emailed to credit providers who are then required as per the regulations to repair their credit file.

For more information on Credit Reboot or to download the app and repair your credit file, visit [creditreboot.com.au](http://creditreboot.com.au).

**- The Chronicle 21st September 2016 6:00 AM**

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