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Whilst teaching financial literacy is important, this does not negate government's role in putting in place adequate measures – ie to vet or prevent scams from arising. Recent examples of this failure to put in place adequate checks relate to property investment seminars (eg National Investment Institute) and investors who have been burnt. Government bodies (eg ASIC) have failed to take action even after 1000s of complaints from dissatisfied consumers. What does it take to get action to stop from regulatory bodies to stop spruikers and scammers from continuing to operate 'business as usual'?

This, without doubt, is an area for major overhaul – the slow response to consumer complaints. Rather than blaming consumers for the problem (ie their beliefs, lack of literacy), ensure bureaucratic red tape doesn't stifle legitimate calls for investigation into scams.

Regards Halena Curran

Australian Consumers and Money Discussion Paper

Pages 57-59 of the pdf file

“In addition to these psychological triggers, some people hold beliefs which leave them even more vulnerable to scams. One of them is the belief that all companies, businesses and organisations are legitimate because they are all vetted and approved by the government or some other authority. Another belief that makes people vulnerable to scams is the idea that there are secret short cuts to wealth that are known by certain financial ‘gurus’. Believing that all businesses must be legitimate and that wealth or other benefits can be obtained through special tricks can place consumers at risk.”