



MEDIA RELEASE

GE Money to refund customers on overcharge issue inherited from Pacific Retail Finance

14 November 2008

AUCKLAND: GE Money has today apologised and is refunding 3,610 customers who were incorrectly charged interest on one particular Pacific Retail Finance (PRF) product sold over two years ago.

The issue relates to PRF's Early Exit Interest Bearing (EEIB) hire purchase product sold between October 2005 and February 2006.

GE Money acquired PRF in February 2006 and is therefore assuming full responsibility for the inadvertent misleading representations made to some customers.

GE Money Managing Director New Zealand Greg White said: "Our priority now is to put things right for those customers and refund the interest collected in error. Refunds will be calculated with interest and paid as quickly as possible. We apologise unreservedly to all customers affected."

Interest will be refunded to those customers whose contracts were incorrectly completed with details inconsistent with the way the product was designed to work. The total amount to be refunded will be approximately \$3.1 million.

Normally, customers who chose to repay this type of loan in full after the 'early exit' date would have paid installments that included interest calculated from the date of purchase. These particular contracts, however, provided for an 'interest-free period' before the 'early exit' date.

The product was withdrawn from sale in August 2006.

"GE Money acquired these contracts in good faith when we bought Pacific Retail Finance, however we take full responsibility and are working to refund every one of the customers affected," Mr White said.

GE Money will contact all customers affected. Letters will be sent in the first week of December and we expect the majority of refunds to be paid by February.

"GE Money was not involved with the product's promotion and there was no intention to mislead anyone," Mr White said.

"We actually withdrew the product from sale in August 2006, even before we were aware of this issue, because we believe Early Exit Interest Bearing hire purchase agreements can be difficult to understand and this product did not sit well with our other product offerings.



GE Money
Australia and New Zealand

“As soon as the contractual issue was brought to our attention, we fully cooperated with the Commerce Commission. We have worked hard to resolve this issue, with a view to the satisfying all customers and the regulator.”

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About GE Money

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