# Competition and Consumer Act 2010

Main responsibilities for the Mortgage Broker under the Act

| Misleading and Deceptive Conduct | It is illegal for a business to engage in conduct that misleads or deceives or is likely to mislead or deceive consumers or other businesses. This law applies even if you did not intend to mislead or deceive anyone or no one has suffered any loss or damage as a result of your conduct. Participants in the industry must not mislead/deceive customers by:
| | • Giving advice on interest rate movements, legal issues or tax issues without appropriate qualification or licence
| | • Giving a customer the impression that their loan is approved prior to the lender providing a formal approval
| | • Giving general predictions, comments or opinions that could unduly influence a clients’ choice |

| Unconscionable conduct | Unconscionable conduct is generally understood to mean conduct which is so harsh that it goes against good conscience. Under the Australian Consumer Law, businesses must not engage in unconscionable conduct, when dealing with other businesses or their customers. Mortgage brokers should:
| | • Ensure a customer understands all implication of entering a credit contract and all documents being sighted
| | • Must not exert undue influence on a customer to enter a transaction, sign a document or become a guarantor
| | • Examples of unconscionable conduct could apply where
| | - There are language barriers
| | - There is mental incapacity
| | - A lack of education or financial literacy
| | - Old age or inexperience

| Due Care and Skill | Professional Mortgage Brokers should
| | • Ensure that they have the minimum qualifications required to operate
| | • Exercise due care and skill when assisting clients
| | • Must ensure that any recommendations that they make to clients meet the needs of the clients and are not unsuitable

| Exclusive Dealing | Broadly speaking, exclusive dealing occurs when one person trading with another imposes some restrictions on the other’s freedom to choose with whom, in what, or where they deal. Most types of exclusive dealing are against the law only when they substantially lessen competition, although some types are prohibited outright.

**Third line forcing** occurs when a business will only supply goods or services, or give a particular price or discount on the condition that the purchaser buys goods or services from a particular third party. If the buyer refuses to comply with this condition, the business will refuse to supply them with goods or services.