

# CONSUMER LEASES



A consumer lease is a contract that allows you to hire goods from a business. This type of finance allows you to lease the goods over time rather than buying them outright. However, despite the large amount of money you pay out, you do not own the goods at the end of the lease period.

Businesses promote leasing as a more affordable option than buying something outright but in reality, your total lease payments will add up to more than the cash price of the goods. You may also have to pay certain fees and charges.

## YOUR OBLIGATIONS

- You have an ongoing obligation to make lease payments;
- If the goods become damaged, stolen or destroyed, you still have to pay the rest of the lease repayments, as set out in your agreement; and
- You must disclose the location of the goods hired if the business requests it.

## RENT TO BUY

With rent to buy, you agree to rent an item for a period of time. You make regular rental payments. You are not hiring the goods but you are making a commitment to buy them. At the end of the rental period, you pay a nominal amount to complete the purchase.

While this may seem like a better alternative to consumer leases you'll likely end up paying more than buying the item outright. You may also have to pay fees and charges on top of this

## ALTERNATIVES

### Lay-by.

Some shops will let you buy things on lay-by and pay it off over a period of time. The shop will keep it until you have paid it off.



### Savings.

If you don't need to get the appliance right away, set aside some money each week or month to save up for it



### No Interest Loan Scheme.

No Interest Loan Schemes (NILS) provide individuals and families on low incomes with access to safe, fair and affordable credit.



## TIPS & TRICKS

If you are sure that a consumer lease is right for you here are some ways to make sure you get the best deal for your needs.

- **Shop around**
- **Get a shorter lease**
- **Only rent what you need**