

LTPA Minutes of Meeting on 16th November 2021

Formal Agenda items

- Meeting opened at: 7:30
- Present: Kevin, Cliff, Leslie and Stan, Andy, Logan
- Apologies for today: Rae Nield, Keith Kennedy
- Accept that the minutes from our previous (formal) association meeting (12th October 2021) are a true & accurate record. Moved: Joe Seconded: Cliff

1. An update from Cliff on the meeting that Cliff and Rae attended representing the association with the Commerce Commission on 4th November.
Cliff has arranged a transcript of the meeting, this is available for download [here](#) in the shared members area.
In summary: the CC staff are convinced that pawn is a credit contract, they used the SDPA to define that a pawnbroker lends money and takes security over goods. Therefore pawnbroking meets 6A and 6B of the CCCFA. Rae questioned their position, specifically raising the concepts of debt, obligation, choice and loss. According to Cliff the answers to those questions were not convincing. There were also a number of conflicting statements made in the arguments proposed by the CC staff. The CC also stated that they assume that because we are excluded by 15A we are therefore included in the rest of the act. Their stated exception was that pawns to businesses are not covered by this. The CC staff suggested that we could work with MBIE to let them know the number of actively operating pawnbrokers; the consequences if we have to meet the obligations (i.e. close up shop); and to confirm that this is the intention of the act. While the association is in conversation with MBIE, the CC gave an undertaking that they will take a lenient view of existing pawnbroking operations. We have had estimates of legal fees for the MBIE work and for any further legal reform action that the association may want to take.
2. Kevin suggested that we need to organise funding from pawnbroking businesses to enable us to move forward with the necessary legal steps. Cliff believes we will most likely end up needing to go down the path of a declaratory judgement. We will work with Rae to get an estimate of costs for the legal work required, then Cliff will prepare a budget and contact as many pawnbroking businesses as possible to get funding raised for this project so that we can get started. We will be working on the basis that each shop will be asked to make a contribution. So the more shops that we can get on board for this action, the more we will be able to share the costs. Please reach out to all fellow pawnbrokers that you know, to tell them what we are doing and to ask them if they are willing to help.
3. Follow up on action points arising from the previous minutes:
 - Cliff has started the process to change the association's name and address with the Incorporated Society's Register. No further updates on this at this stage.
4. Membership – we need to follow up with members from previous years, Cliff has been reaching out to pawnbrokers, a progress update please. As outlined earlier, we will soon start asking pawnbrokers to contribute to these legal expenses separately and in addition to the annual association membership fee.

5. Agenda items that were postponed from the previous meeting:

- An update on progress with the membership.
- We need more website content to make the website useful. All practical suggestions are welcome. Please send suggested website content directly to the President and after moderation we will arrange to have it published.

We have set a date for our next meeting: 14th December, 7:30 PM
We will schedule an ad-hoc meeting before then if we need to.

Housekeeping: None

General Business:

Another reminder about pawn contracts: to avoid confusion with credit contracts, the association recommends that pawnbrokers stop using the words “interest” and “loan” in relation to pawn transactions. “Interest” should be replaced with “redemption fee” and “loan” with “advance”. There can be no implication that there is an obligation on customers to repay. It is always the customer’s choice to repay the advance plus the redemption fee only, to redeem goods.

Meeting closed: 7:55 PM