

Policy woes burn students

by Dyani Baggenstos

Students in flats could be at a greater risk from damage liability costs than they realise.

Last year the Tenancy Tribunal received 1529 applications that involved disputes between tenants and landlords about damage caused to rental properties.

The tenants were held liable in every case.

Liaison manager for the Auckland Student Movement, Nick Buckby, says students living in someone else's place without public liability insurance are taking a risk most don't even know they are taking.

"An insurance company will have a crack for \$30,000 just as readily as for \$300,000," he says.

While a landlord may have insurance to cover damage to the rental property, that insurance will usually be for the benefit of the landlord only and not the tenant.

Auckland University of Technology's accommodation adviser Wayne Brown says it is hard to help students who bypass accommodation services and organise flats themselves.

"We try and catch students before they dive into signing themselves into a flat," he says. "It's important to pre-warn them about damage costs and we do encourage them to get insurance."

Student insurance packages,

such as 'Plus-Cover' insurance put out by Tower Insurance for students in flatting situations, do provide protection for sudden and unforeseen accidental damage.

Lisa Christensen, the marketing and product manager for National Bank Insurance, says they believe the policy addresses the insurance needs of many their student customers.

"We consider that it is important that customers understand both the requirements of any tenancy or other agreements," she says.

"They should also understand the cover which our insurance policies provide."

Included in the policy is an automatic \$1 million cover for liability.

Even though students cannot insure the rental property itself they can insure their own property and themselves against the risk of being held liable for damage they cause.

Buckby is in full support of such packages.

"Given that cover is pretty cheap and the consequences of burning down a flat accidentally could be as extreme as bankruptcy, it's definitely something students should be considering," he says.

Premium insurance costs \$19.50 a month with an excess of \$250 for each claim.



PHOTO: DYANI BAGGENSTOS

AT RISK: This Mount Eden flat burned down earlier this year. Luckily, its 20 tenants were insured.

Flatting in Auckland also means that property values and potential damage costs are higher compared to smaller townships.

"Flats burn down in Masterton too," says Buckby.

"But the value of the house,

and accordingly your potential loss, would be much more in a big city."

Brown says the focus these days for students is inner city living which is more costly and of greater value to the landlord.

"Apartments particularly

have a greater price value," he says.

"Go back five years and landlords may have carried damage costs more easily.

"Nowadays everyone is more sensitive to the rising dollar."

More Kiwis falling victim to e-crime

by Rebecca Gardiner

Skimming, phishing and key-logging.

Sounds like a load of gobbledegook, doesn't it? But for an increasing number of New Zealanders these terms mean a whole lot more.

Police report more Kiwis are falling foul of high-tech criminals and are losing money as a result of poor security measures related to their electronic and internet transactions.

The national manager of the New Zealand Police e-crime laboratory, Maarten Kleintjes, says that high-tech crime such as ATM skimming, internet scams and online bank 'phishing' is on the rise and warns that the public need to be aware of this trend.

"We're well and truly connected to the information age now. That's where the threats are coming from," he says.

Kleintjes says that New Zealanders can now be targeted from offshore locations through identity theft and internet scams.

"We're not just dealing with New Zealand crooks anymore. . . now we can be accessed by criminals around the world," he says.

Martin Cocker, executive director of internet safety organisation Netsafe, says e-crime is becoming more prevalent in New Zealand and the public needs to

keep up-to-date on new developments.

"E-crime is the future of crime. Society is becoming more



PHOTO: REBECCA GARDINER

HIGH TECH CROOKS: Kiwis are being victimised by technology.

and more high-tech," he says.

Cocker says that while e-crime in New Zealand is "not in the same league as Asian countries", it is growing steadily and he warns that people need to keep "absolutely aware" of new security technology.

He says that along with internet safety organisations like Netsafe, media coverage of e-crime helps raise public awareness and prevent future incidents.

After a Netsafe awareness

campaign last year, the organisation's website received 20,000 hits a month.

Kleintjes says that while it is difficult to prevent criminals trying to commit these crimes, there are ways to protect yourself.

He advises the public to protect their PIN numbers by covering their hands when using EFTPOS and ATM machines, choose a bank with a strong security system and take care opening emails and when using online banking.

"There can't be privacy without proper security," he says.

"We've got to up the ante all the time.

"What somebody can make, somebody can break. . . you don't know until it happens to you."

The Government is also warning consumers to be aware of high-tech crime and of the need for up-to-date computer security.

In a recent press release following ATM skimming incidents in Auckland, Consumer Affairs Minister Judith Tizard reminded the public to be vigilant and take extra care to protect their PIN numbers.

"These crooks need two pieces of information - one is the magnetic strip from your card and the other is your PIN number.

"So we can foil them if we protect our PINs."

Borrowers lacking in budgeting skills

by Felicity Reid

An increasing number of people are borrowing money from finance companies and are not receiving advice on how to manage their finances, say budgeting advisers.

There are now more than 200 finance companies listed in the Auckland Yellow Pages offering personal loans up to \$100,000.

Denise Smith, coordinator of

"I am saddened by the advertisement of easy money on TV. . ."

Papakura Budgeting Service, says the rising number of finance companies has had a great impact on the size of debt clients now have.

"I am saddened by the advertisement of easy money on TV and in the media which lures people into the have now pay later or perhaps never brigade," says Smith.

Finance companies offer an alternative to bank loans for people with a history of debt or no credit history.

MoneyShop spokesperson Michael Gardner says many people cannot or will not use a bank so a personal loan company is their only option.

Gardner says finance companies offer the advantage of quick loan approval, one-on-one service, less strict lending criteria and the tendency to lend against higher risk securities.

Hopscotch Money marketing director Claire Fromow says no finance company can legally offer customers financial advice or a budgeting service.

But Hopscotch refers customers to professional budgeting services if necessary.

Many borrowers from finance companies are not aware of the 15 organisations that are offering budgeting advice in Auckland.

Citizens Advice Bureaux is one that offers an online financial check-up and free advice on general financial matters through budget advisors at their local offices.

The New Zealand Federation of Family Budgeting Services (NZFFBS) is a collective of community organisations that provide community-based budgeting advice, with 13 affiliated services in Auckland.

Smith says budgeting services have such low funding that they cannot afford to advertise to combat and educate people about financial problems efficiently.

Smith says budgeting companies need an image makeover.