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ASIC Cracks Down on Rogue Credit Repair Firms

August 2, 2025

– Categories: Finance



Australia's credit repair industry faces intensified scrutiny as the Australian Securities & Investments Commission (ASIC) launches a sweeping review of debt management providers. The regulatory probe targets firms suspected of charging excessive fees, delivering inadequate services, and failing vulnerable consumers. With approximately 100 licensed operators under examination, ASIC aims to enforce stricter

compliance with the National Consumer Credit Protection Act 2009 and Australian Financial Complaints Authority (AFCA) standards.

Industry leaders welcome the intervention, describing systemic issues plaguing the sector. Victoria Coster, CEO of Credit Fix Solutions, applauded ASIC's move to eliminate "dodgy pirates" who take payments without delivering promised results. Her comments reflect widespread reports of consumers paying for months without credit file improvements. ASIC Commissioner Alan Kirkland emphasized concerns about firms operating without efficiency, honesty, or fairness – leaving financially distressed clients in worse positions.



The review carries significant implications for mortgage brokers and financial advisors who refer clients to credit repair services. Melbourne broker Cara Julian of Brava Finance noted that reliable credit restoration strengthens client relationships, while poor service damages trust. The cleanup could create clearer referral pathways, with Coster suggesting brokers will soon identify trustworthy partners more easily. Currently, many professionals hesitate to recommend services amid quality concerns.

As ASIC's review progresses, the credit repair sector stands at a crossroads. Stronger oversight promises to protect consumers and restore industry credibility, but only if enforcement matches intention. For vulnerable Australians seeking financial recovery, the outcome could mean the difference between genuine assistance and costly false promises. The regulator's actions may finally separate reputable operators from those exploiting desperation a necessary evolution for Australia's financial ecosystem.