

Information for consumers - PPS-02

If you purchase personal property that is subject to a security interest, which is registered in the PPSR, the secured party (usually a bank or finance company) may be able to seize the goods from you. For example, if you buy a car that a previous owner still owes money on. You can check the PPSR before purchasing to avoid this risk.

Secured parties that do not register their security interests can repossess personal property from their debtor, but generally cannot repossess it from subsequent purchasers.

Note: If you know about a security interest in personal property, (even if it is not registered in the PPSR), then you may **not** take the property free of the security interest.

If you owe money on personal property or have offered personal property as security, information about you and the security interest will probably be recorded in the PPSR.

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How does the PPSR work?

The PPSR is an electronic register that you can access on the Internet at www.ppsr.govt.nz

- Secured parties can register details about their security interests in the PPSR
- Subject to privacy rules and controls, people can search the PPSR to find out about security interests in personal property
- Secured parties discharge (remove) their security interests from the PPSR when the money (for example) has been repaid

When you want to buy something

Consumers don't need to search the PPSR for the many small value purchases they make everyday. When purchasing personal property that could have been worth more than \$2000 at some time, particularly second hand personal property, it is generally wise to search the PPSR.

If personal property you want to buy has a registered security interest over it, then you should ask the seller to have the security interest discharged (removed from the PPSR). You could also decide to go ahead, knowing that there is a risk that someone may seize the property, but you may wish to seek professional advice first.

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Your details on the PPSR

When you buy personal property on hire purchase, or use personal property as security for a loan or another type of credit providing transaction, the secured party will probably register details of the security interest in the PPSR. Those details include your name, date of birth, address and a description of the personal property. The PPSR does not record financial details of the transaction.

When your security interest is registered, the secured party must send you a Verification statement unless you say, in writing, that you do not wish to receive it. The verification statement sets out what is recorded in the PPSR and includes the Debtor PIN number that you can use to demand correction of those details.

Once you have repaid your hire purchase or loan etc, the secured party must discharge the registered financing statement. In the case of consumer goods this should be within 15 working days of repayment.

CONSUMER TIPS

- If you owe money on personal property you should not sell the property without getting permission from the person or company you owe the money to
- Read the terms of the security agreements you sign
- Verification statements tell you what has been recorded about you in the PPSR
- Search the PPSR to make sure you don't buy an item of personal property that another person owes money for, or has used as security
- If you buy personal property that is subject to a security interest registered in the PPSR, be aware that it may be repossessed