AFIA Finance Industry Code of Practice

Version 2.0 December 2025

Australian Finance Industry Association

Foreword from AFIA CEO Diane Tate

AFIA is committed to advancing a world-class finance industry and our members are at the forefront of creating more efficient, competitive and innovative finance for Australians.

AFIA members participate across the entire finance industry in Australia and include banks, finance companies, vehicle and equipment financiers, vehicle and fleet providers, and fintechs that operate in consumer, business and commercial lending markets.

This Code is Australia's first non-bank lending and specialist banking industry code. It sets out the standards of practice and expected customer service outcomes for our members and reflects our members' commitment to customers through the promotion of a culture of integrity, transparency and fairness in the finance industry in Australia.

AFIA has introduced this Code to help support positive outcomes for customers and financial firms by promoting good practices that support compliance with legal obligations, reflect customer and community expectations, and strengthen trust and confidence in the finance industry.

This Code provides a framework for prudent, responsible and ethical conduct, fosters transparency and fairness, promotes accountability and explains how our members will comply with their legal obligations. It also explains what our members will do if things go wrong, including how our members will manage complaints, support customers experiencing financial difficulties, and help customers experiencing vulnerability.

By adhering to this Code, our members contribute to an efficient, competitive, sustainable, inclusive and resilient finance industry, which ultimately benefits customers, financial firms and the economy. This Code will continue to evolve in line with industry developments and customer and community expectations.

D. Tate

Contents

Part A – Introduction

About this Code

1. The Australian Finance Industry Association (AFIA) Code of Practice (the Code) was published on 16 September 2025 and is effective from 1 October 2026 (the Effective Date). Compliance with the Code is subject to transitional arrangements until the Effective Date. The transitional arrangements are set out below at paragraph 18.
2. The words “we”, “us” and “our” apply to an AFIA member and/or an entity in an AFIA member's group who is a Code Member.
3. The words “you” and “your” refer to you as our Customer.
4. Other words and phrases that have special meaning are identified with capital letters and are set out in the Definitions section.

Scope of this Code

5. A list of Code Members can be found atwww.afia.org.au
6. This Code applies to credit, finance and novated lease products and services we provide to Consumer and Small Business customers in Australia, subject to the exclusions set out in this Code. For simplicity, we refer to these collectively as “products” in this Code. This Code also applies to guarantors and co-borrowers where we specifically refer to them.

> ***How we define ‘Small Business’***
>
> *For the purposes of this Code, we have adopted the Unfair Contract Terms legislation definition of Small Business which means a business that:*
>
> *a. employs fewer than 100 people at the time the contract is signed; or*
>
> *b. has a turnover for the last income year of less than $10,000,000; and*
>
> *c. the upfront price payable under the contract does not exceed $5,000,000.*

7. These products include but are not limited to:
   a. secured and unsecured consumer finance, including credit cards, personal loans, lines of credit or overdrafts, mortgages for residential and investment purposes (including home loans and chattel mortgages) and vehicle finance;
   b. secured and unsecured business finance, including lines of credit, debtor and cashflow finance, asset and equipment finance, fleet and vehicle finance; and
   c. novated leases.
8. This Code applies so long as we are the issuer of your product. If another entity becomes the issuer of your product and that other entity is not a Code Member, this Code will not apply to that other entity. This Code sits alongside the overarching laws, licensing obligations (where applicable) and regulatory frameworks that apply to us. If there is any conflict between this Code and relevant laws, those laws prevail.

Exclusions from this Code

9. This Code may offer some guidance more broadly, but it does not apply to products we provide to commercial property, government or semi-government customers, or Large Corporate Customers. This Code also does not apply to bailment facilities because bailment is a common law relationship between a bailor and a bailee, and not a credit, finance or novated lease product as per paragraph 6.

10. This Code does not apply to AFIA members who provide commercial finance predominantly for large commercial vehicles and equipment manufactured by their company or an associated company, such as trucks and machinery used in transport, construction, mining and resources, farming and agriculture.

11. This Code does not apply to AFIA members who are signatories to an equivalent industry code that applies to Consumer and Small Business finance and lending activities in Australia. The AFIA Board will, acting reasonably, determine the criteria for an equivalent code. For these purposes, AFIA members who are signatories to the Banking Code of Practice or the Customer Owned Banking Code of Practice are not subject to this Code. However, these AFIA members may still elect to become a signatory to this Code.

12. This Code does not apply to other entities we own or related bodies corporate who do not provide products covered by this Code to Consumers or Small Business.

Other AFIA Codes of Practice

13. A customer who deals with an AFIA member who is a signatory to the AFIA Buy Now Pay Later (BNPL Code), Online Small Business Lenders (AOSBL Code) or Insurance Premium Funding (IPF Code) has the protections of those codes for anything that occurs until the AFIA member becomes a member of this Code. Alleged breaches of the BNPL, AOSBL or IPF Codes can be reported to the Finance Industry Code Compliance Committee (see Part E – Code Compliance).

14. AFIA also operates the Car Rental Code of Practice, which will remain separate from this Code.

Structure of this Code

15. AFIA members participate in different finance sectors and markets, and for this reason we have divided this Code into different sections to help you find the customer protections relevant for your circumstances.

16. This Code contains general and specific commitments by us to you. They are found in:

    a. Parts B, C and D – these contain our general commitments and apply to all Consumer and Small Business customers covered by this Code. These sections explain how we will engage with you and what you can expect from us.

    b. The Schedules – the Schedules at the back of this Code contain specific commitments in relation to consumer finance, novated leasing, small business finance, low cost credit contracts and insurance premium funding. The Schedule applies if we provide you with a product that is described in that Schedule.

AFIA Industry Guidelines

17. AFIA has published industry guidelines, protocols and other documents on some areas of the Code or related matters that may help members understand how to interpret and apply the Code or develop new approaches to systems, policies or processes. These industry guidelines, protocols or documents do not form part of this Code. AFIA's current industry guidelines are published on the AFIA website.

Transitional Arrangements

18. After the publication of this Code, we have a period of time until the Effective Date to ensure that our arrangements to provide our products to you meet the requirements set out this Code. These transitional arrangements will end after the Effective Date of this Code.
19. This Code will apply to a new product or a guarantee for which you enter into an agreement with us on or after the Effective Date. However, if we become a Code Member before the Effective Date, this Code will apply from the date we became a Code Member.
20. For ongoing products that we were providing you as at the Effective Date, or where a guarantee was in place before the Effective Date, or where documentation was sent to you before the Effective Date, the existing terms and conditions of that product or guarantee will continue to apply. If we provide you with revised terms and conditions after the Effective Date, those revised terms and conditions will comply with this Code.

Part B – Our Key Commitments to You

We will be fair and honest in our dealings with you

21. We will act honestly and with integrity. We will be fair and responsible in our dealings with you. We will be clear in our communications with you.

We will focus on customers

22. We aim to deliver a positive customer experience over the life cycle of your product.
23. We will provide you with different ways to contact us – for example, by phone, or through our website or app, or through other communication channels. For some products, we may have more specific or limited ways to communicate due to the manner in which your product is offered, including for example, where a product is entirely online or managed by a third party.
24. We will use plain language and avoid using unnecessarily complex legal and technical words as much as possible when communicating with you. However, there may be times where this is unavoidable (such as when the law requires us to use particular words or to communicate with you in a particular way).

We will comply with our industry and legal obligations

25. We will comply with our obligations under the law and this Code. If we don't, and you are impacted, we will correct this in accordance with our legal obligations and our agreement with you.
26. If you are a Consumer and your contract with us is regulated under the *National Consumer Credit Protection Act 2009* (NCCP Act), we will make an assessment about whether the credit contract is 'not unsuitable' for you. Schedule 1 of this Code provides additional information about how we will do this.
27. Loans that are for predominantly business or commercial purposes are not regulated under the NCCP Act. We will only provide our products to you where we believe you meet our product and lending requirements. Schedule 3 of this Code provides additional information about how we will do this.

We will deliver high standards of service

28. We will take reasonable steps to ensure our products are reasonably fit for their intended purpose and are as described in our terms and conditions, disclosures, marketing materials, and agreements with you.
29. We will respond to questions about the features of our products and how they work. We may do this in different ways (such as by publishing FAQs on our website or app).
30. We will not engage in pressure sales tactics.
31. We may require you to obtain independent advice before entering into a contract with us. We will tell you if this applies to you. You may need to get your own financial, legal or taxation advice if you have queries or questions about how our products may impact your financial or personal circumstances.

We will provide clear information about our products

32. We will give you clear and useful information about our products to help you make an informed decision about whether to use them.

33. Before you enter into a contract with us for a product, we will give you information about:
    a. our product terms and conditions;
    b. fees and charges;
    c. interest (if this is applicable), or the total amount payable and the repayment amount (although this does not apply to revolving facilities, for example, where the total amount to be repaid depends on your use of the facility);
    d. any other pre-contractual disclosures required by law; and
    e. how we will notify you about any changes.
34. We will continue to provide you with clear and useful information over the life cycle of your product, including about any changes to the product, and any changes to your or our obligations.
35. We may give this information to you in different ways where the law allows us to (for example – in electronic and digital formats). Our terms and conditions will describe how we will communicate with you.
36. We will ensure disclosures about our fees and charges are up to date and accurate.
37. We will review our policies (such as credit assessment procedures, and the design and distribution framework for our products) in accordance with our review procedures or whenever events indicate that a review is required to ensure that our policies are current, comply with the law and align with our commitments in this Code.

We will ensure our staff and representatives are trained and competent

38. We will ensure that people who are authorised to act on our behalf (for example, our employees, agents, and authorised credit representatives (ACRs) where applicable) are adequately trained and are competent to engage with you in relation to our products.

We will tell you about commissions and other benefits we pay to Intermediaries

39. We (or our Intermediaries if we require it under our arrangements with them) will make information available about commissions and other benefits that might be paid to the Intermediary in connection with the distribution or referral of our products. For the avoidance of doubt, this does not include remuneration paid in relation to marketing and advertising of our products.
40. If you are a Consumer, we will disclose the amount of remuneration or other benefit if it is ascertainable at the time we make the disclosure.
41. If you are a Small Business customer or your product is not regulated under the NCCP Act, our terms and conditions, term sheet or other document related to your contract will refer to commissions or other benefits that we may pay to an Intermediary in connection with the distribution or referral of our products.

We will deal fairly with complaints

42. We will handle complaints promptly and fairly. We will make information about how you can make a complaint and how we manage complaints available on our website, app or other platforms we use, including information about timeframes for considering and responding to complaints.

43. We will provide you with clear information on what to do if we do not resolve your complaint in a way that is acceptable to you. This information may be different depending on the product we provide to you. See Part D of this Code for more information.

We will support and promote this Code

44. We will make this Code publicly available including, for example, via links to the AFIA website on our website or in our app or digital platform.
45. We will support the monitoring, supervision and ongoing effectiveness of this Code and ensure our staff are trained to put it into practice.
46. We will implement systems and processes to support our compliance with this Code, including taking steps to address any issues if necessary.

Part C – Treating Customers Fairly

Accessibility

47. We will take reasonable steps to ensure that any website, app, or methods we use to communicate with you meet the kinds of accessibility standards (for example, the Web Content Accessibility Guidelines) that are relevant to our business and the methods by which we communicate with you.

48. If we become aware or you tell us that you need extra help to access our products because of accessibility factors (for example – because you are a person with disability or communication, hearing or visual impairment or language barriers) we will treat you with sensitivity, respect, understanding and empathy. We will take reasonable measures to support your interactions with us, having regard to the type of product and the channel the product is normally distributed through. This might include referring you to free external support services (such as interpreters or the National Relay Service).

Use of technologies

49. If we use customer-facing artificial intelligence (AI) as part of our business operations to provide products covered by this Code to you, we will have risk management processes to identify and mitigate risks in its use and we will monitor its operation to ensure it is compliant with relevant laws and standards that apply to us.

50. Customer-facing AI can include the autonomous or semi-autonomous analysis of data and content using sophisticated techniques and tools. It can also create content or output that is not programmed or copied from existing data, but is generated based on patterns, structures and examples learned from large datasets.

Privacy and confidentiality

51. We will handle your information, and information about your use of the product, in accordance with our Privacy Policy and the law.

52. We will comply with the privacy legislation including the *Privacy Act 1988* and the associated standards in the *Australian Privacy Principles,* and the *Privacy (Credit Reporting) Code 2025* (if applicable to us) which sets standards about participation in credit reporting and management of information and data (such as the collection, processing, storage, maintenance, use, transfer and disclosure of your personal information or data to other parties).

53. We will publish our Privacy Policy on our website, in our app or on our platform.

54. We will treat information that you give us or information that we collect about you (including through data collection techniques, such as screen scraping) in accordance with our Privacy Policy and the law.

Information and data protection

55. We will take reasonable steps to protect your personal information and data from misuse or loss and from unauthorised access, modification or disclosure. This may include asking you to re-verify your identity from time to time.

56. We will regularly review the security and reliability of our information systems.

57. We will aim to implement and maintain information security controls that are commensurate with the size and extent of the information risks and cybersecurity threats we may face.

58. We will apply security measures or access controls that are reasonably appropriate or necessary for the product you have with us (for example – account registration, password protection and/or multi factor authentication).

Security measures and controls

59. If we use additional security measures or controls (such as multi-factor authentication) to verify your identity, open an account or access our products, we will have regard to relevant standards and authentication protocols (including standards published by the Australian Government from time to time) when designing or updating our systems.

Scams and fraudulent activity

60. To help protect you from scams and fraudulent activity, we will not:

- ask you for information like passwords, PINs or secure access codes in an unsolicited email, text, phone call or message;
- ask for remote access to your computer or devices to “fix a problem” or send you software to download; or
- ask you to make payments through unusual mechanisms (such as stored value cards or gift cards), or urgently transfer your assets or funds to another place to keep them “safe”.

61. If you receive an unsolicited contact asking for this type of information that appears to be from us or you are not sure whether a communication is legitimate, you should contact us via the contact details on our website, app or platform or another trusted source (such as the contact number on the back of your debit or credit card) to check.

62. If you believe you may have been the victim of a financial scam or some other fraudulent activity that involves our products or you notice suspicious or unusual activity in relation to your product, you should contact us as soon as possible. You can also contact Scamwatch or the police if you think a crime has been committed. IDCARE may also be able to help you in relation to identity theft.

Customers experiencing financial difficulties and other hardship

63. Financial difficulties or other hardship can occur for a range of reasons that are out of your control, including but not limited to:

    a. change in income or employment status;

    b. relationship breakdown;

    c. illness or injury;

    d. natural disasters.

64. If we become aware or if you tell us that you are experiencing financial difficulties or other hardship, we will work with you to identify ways we may be able to provide support in accordance with our policies. We encourage you to tell us about your circumstances as this is the best way to help us help you.

65. We will tell you how to contact us about financial difficulty and other hardship assistance arrangements on our website, our app or other digital platforms we may use.

Consumers

66. If your contract with us is regulated under the NCCP Act, you should tell us as soon as possible if you are experiencing financial difficulties or other hardship. You can do this yourself or through someone else you appoint to act on your behalf (for example - a lawyer, accountant, financial counsellor, or legal aid officer). We may ask you or the person acting on your behalf to complete a form to confirm you have provided your consent for the person to act for you.
67. We will provide information on our website, app or digital platform about how to contact us if you are experiencing financial difficulties or other hardship. We may also contact you to discuss your situation if it becomes apparent to us that you may be experiencing financial difficulties or other hardship.
68. We may ask you to give us information to help us understand your financial difficulties or other hardship and consider how we could help. Any help we can provide will depend on your circumstances and the information you give us.
69. We may provide you with a temporary or simple arrangement to help you or we may agree with you on a new repayment arrangement (called a "contract variation"). If we agree on a contract variation, this will be in writing (including in electronic form where permitted by law and our agreement with you).
70. We are not required to offer a temporary or simple arrangement or a contract variation, but we will provide assistance if we think it will help you recover your financial situation. We will tell you about the support we can provide after we have considered your circumstances and the information you have given us.
71. There are circumstances where we may not offer you a temporary or simple arrangement or contract variation, including (but not limited to) where we reasonably believe:
    a. your financial position cannot be restored; or
    b. it will, or is likely to, make your circumstances worse; or
    c. you will not have an ability to repay the amounts you owe us after the period of financial difficulty or other hardship ends; or
    d. we do not have sufficient information to substantiate your financial hardship.

Small Business Customers

72. If you are a Small Business customer and you tell us you are experiencing financial difficulties, we may consider reasonable modifications to your repayment arrangements or other terms and conditions of your contract, insofar as possible within our credit policies. We are not required to do so, but we will do our best to explore options that may help your business through a temporary period of difficulty.

People experiencing vulnerability

73. We are committed to helping customers who are experiencing vulnerability. If we become aware or if you tell us that you may be experiencing vulnerability, we will treat you with sensitivity, respect, understanding and empathy. We recognise that vulnerability may be temporary in some cases and/or can happen to anyone.

74. Characteristics of vulnerability may include (but are not limited to):

- cognitive or other impairment;
- family or domestic violence (including financial abuse);
- age-related financial abuse;
- mental health issues;
- addiction-related issues;
- serious illness or injury;
- insecure housing or homelessness;
- language or literacy barriers;
- issues related to cultural norms and expectations; or
- other personal or financial circumstances– for example, incarceration or institutionalisation, the serious illness or death of a partner or close family member, a relationship breakdown or some form of natural disaster.

75. We may not be aware of your vulnerability unless you tell us about it. If you tell us about your circumstances, we will consider how we can help to address the financial implications for the product we provide to you.

76. If you want to appoint someone to act on your behalf in your dealings with us, we will provide you with clear information about how you can do this.

77. The misuse of our products by another person (whether they are related or known to you, or not) to inflict economic, financial or emotional abuse on you is unacceptable. If we become aware this is occurring, we will do what we reasonably can to help minimise or stop the misuse.

Deceased estates

78. If you are the executor of a deceased estate or are otherwise entitled at law to deal with a deceased estate, we will do what we reasonably can (and as permitted under relevant laws, such as succession and privacy laws) to help you resolve or deal with the customer’s financial affairs with us as quickly as practicable.

Transparent debt recovery practices

79. If a debt recovery process becomes necessary, we will act in accordance with our legal obligations. This includes (where relevant depending on whether your loan is regulated under the NCCP Act) our obligations to tell you about late or missed payments, to issue you with a written notice of a default prior to commencing legal proceedings or taking other enforcement action, and to generally give you a reasonable opportunity to remedy the default. However, if we reasonably think that the default cannot be remedied, we may have rights under your contract and at law to take action without telling you first.

80. We will only use as agents, and sell our debts to debt collectors, that to the best of our knowledge comply with the *ACCC and ASIC Debt Collection Guideline*.

81. The steps we may take to recover or on-sell your debt may be different depending on what type of Customer you are, the product you have, and the terms of your contract with us.

82. Schedule 1 sets out more information for Consumers about our debt recovery practices.

83. Schedule 3 sets out more information for Small Business customers covered by this Code about our debt recovery practices.

Part D – Resolving Complaints Promptly and Fairly

Enforcing your rights

84. This Code is part of a range of customer protections that are available to you, including under Australian laws. The types of rights and protections that apply to you depend on what type of customer you are and what type of product we provide to you. You are able to hold us accountable for our obligations in a number of ways including through (but not limited to) internal and external dispute resolution, legal action, or by reporting an alleged breach of this Code by us to the AFIA Finance Industry Code Compliance Committee (CCC). More information about the CCC is set out in Part E.

We will have internal dispute resolution arrangements

85. We will have an internal process for handling complaints in relation to our products. This internal dispute resolution (IDR) process should help to resolve most complaints.
86. We are committed to responding to complaints in a way that is:
    - prompt and efficient;
    - consistent with relevant laws, the obligations in our contract with you and relevant guidance (such as ASIC Regulatory Guides 271 and 277).
87. We will explain how we deal with complaints in your contract or other documentation (such as our credit guide or terms and conditions) or via other sources, including on our website or app, as applicable.
88. If you have made a complaint to us, we ask you to be available to communicate with us during the complaint process. We may not be able to deal effectively with your complaint if you are not available to respond to our reasonable requests for information.

You will have access to external dispute resolution

89. If we are not able to resolve your complaint to your satisfaction, you will generally be able to escalate your complaint to an external dispute resolution (EDR) scheme, mediation scheme or alternative process for dealing with a dispute.
90. The Australian Financial Complaints Authority (AFCA) is the EDR scheme for financial-related complaints by individuals and small businesses (as defined by AFCA) in Australia. We will tell you if we are an AFCA member and your rights to make a complaint to AFCA (if your complaint falls within AFCA's jurisdiction). However, AFCA may not consider complaints in relation to all of the different types of products offered by AFIA members and in some cases the EDR or mediation scheme may be different.
91. The Australian Small Business & Family Enterprise Ombudsman (ASBFEO) can assist Small Business customers and family enterprises that are in dispute with other businesses or Australian Government agencies. ASBFEO can provide information about dispute resolution options, access to mediation and alternative dispute resolution processes.
92. State-based Small Business Commissioners (SBCs) also offer mediation and impartial assistance to help parties in dispute come to an agreement. Depending on the State you are in, SBCs can offer formal mediation sessions conducted by a professional mediator.

93. We will provide you with information about how to contact AFCA (if we are a member and your complaint is within AFCA's jurisdiction), or if we make it available – another applicable EDR scheme, mediation scheme or alternative process for dealing with a dispute – if we are unable to resolve your complaint through our internal complaint handling processes.

94. There may be circumstances from time to time where we will not participate in EDR, a mediation scheme or alternative process for dealing with a dispute (although this does not apply if we are an AFCA member) – for example, if we reasonably believe:

    - there is a genuine risk that conduct of the EDR, mediation or alternative process might result in customer harm to you or a co-borrower or a guarantor; or
    - there is a potential or actual workplace safety risk for our employees or representatives.

Farm debt mediation

95. If you are our customer and you are a Farmer and you are eligible for and request farm debt mediation then we will comply with the process under relevant State-based farm debt mediation legislation or State-based mediation schemes.

Part E – Code Compliance

96. The AFIA Finance Industry Code Compliance Committee (CCC) is an independent committee appointed by the AFIA Board that operates separately from the industry association. The CCC has been established to monitor compliance with this Code. The CCC operates under a Terms of Reference and can consider alleged breaches of this Code that are brought to its attention by a customer or any other party, or through its own monitoring and review processes.

97. You can report us to the CCC if you believe we have acted in a way that is not consistent with this Code. We will cooperate and comply with all reasonable requests of the CCC in the performance of its monitoring and investigation activities.

98. The CCC does not deal with individual complaints or disputes between you and us about our products. You should contact us in the first instance about any complaint or dispute that relates to the product we provide to you. We will consider your complaint in accordance with our complaint handling processes.

99. If the CCC investigates an alleged breach and if it determines that we have breached the Code, it can require us to take corrective measures. The CCC can also impose a range of sanctions depending on the nature of the breach. More information about the CCC can be found here .

Part F – Operation and Review of the Code

100. Australian Finance Industry Association Limited ACN 000 493 907 (AFIA) owns this Code and is responsible for its content, management and updating as required, and for providing sufficient resources to support administration of the Code.

101. This Code operates alongside and is subject to existing laws and regulations. It does not limit your rights under those laws and regulations. Where there is any conflict or inconsistency between this Code and any Australian law or regulation, that law or regulation prevails to the extent of that conflict or inconsistency.

102. AFIA will review this Code 3 years after it becomes effective, and every 3 years after that, or sooner if directed to do so by the AFIA Board.

103. The AFIA Board may – after consultation with and seeking comments and suggestions from the CCC, Code Members and other organisations and people it considers appropriate – review and amend the Code at any time.

Definitions

ACCC means Australian Competition and Consumer Commission.

AFCA means Australian Financial Complaints Authority.

AFIA means Australian Finance Industry Association Limited ACN 000 493 907.

AFIA Finance Industry Code Compliance Committee (CCC) means the independent committee appointed by the AFIA Board to monitor and investigate compliance by Code Members with this Code.

ASIC means Australian Securities and Investments Commission.

Australian Credit Licence (ACL) has the meaning given in section 35(1) of the *National Consumer Credit Protection Act 2009.*

Authorised Credit Representative (ACR) means a credit representative as defined in sections 64 and 65 of the *National Consumer Credit Protection Act 2009.*

Balloon Payment (also known as a lump sum payment) means the payment agreed before the start of your loan that you make as the final payment at the end of your loan. This payment is normally larger than your regular repayment amount (hence the reference to balloon).

Business Day means a day which is not a Saturday, Sunday or a public or bank holiday in the place where the relevant act is to be performed.

Buy Now Pay Later (BNPL) arrangement (as defined in section 13D(3) of the National Credit Code) is an arrangement or series of arrangements:

a. under which a person (the merchant) supplies goods or services to a Consumer and

b. under which a third person(the BNPL provider) directly or indirectly pays the merchant an amount that is some or all of the price for the supply in paragraph a.; and

c. includes a contract between the BNPL provider and the Consumer under which the BNPL provider provides credit to the Consumer in connection with the supply in paragraph a.

For the purposes of the definition of BNPL arrangement, and to avoid doubt:

- it does not matter whether any fees or charges are payable by the consumer or the merchant in connection with the arrangement or series of arrangements; and
- it does not matter whether the payment by the BNPL Provider occurs before, at or after the time when the goods or services are supplied by the merchant to the consumer; and
- it does not matter whether the contract referred to in paragraph c. of the definition is a continuing credit contract; and
- it is not necessary for the arrangement or series of arrangements to include any contract to which the merchant, the consumer and the BNPL provider are all parties.

Buy Now Pay Later (BNPL) contract is a contract that is part of a BNPL arrangement (as defined above).

By-Laws means the AFIA Finance Industry Code of Practice By-Laws approved by the AFIA Board, as amended from time to time.

CCC Terms of Reference means the AFIA Finance Industry Code Compliance Committee Terms of Reference.

Chattel Mortgage means a finance agreement that is not regulated by the NCCP Act and provides money to purchase an asset which is used as security for the loan.

Code means this AFIA Finance Industry Code of Practice.

Code Member means an AFIA Member that has been accredited to this Code. Accreditation is completed by the CCC, which approves an AFIA member as a Code Member in accordance with the By-Laws and the CCC Terms of Reference.

Commercial Property means real estate (buildings or land) intended to generate a profit, either from capital gains or rental income.

Constitution means the Constitution of AFIA as amended from time to time.

Consumer means a natural person or strata corporation to whom credit is provided, or who applies for credit, where the credit is regulated under the *National Consumer Credit Protection Act 2009*.

Credit Report is a record about your credit activities. This information is managed by a credit reporting agency and may also include a credit rating, which is based on your credit history.

Customer means a Consumer or Small Business customer covered by this Code to whom we provide our products and services.

Effective Date means 1 October 2026

Farmer has the meaning in section 4 of the *Farm Debt Mediation Act 1994 (NSW)* and means a person (whether an individual person or a corporation) who is solely or principally engaged in a farming operation and includes a person who owns land cultivated under a share-farming agreement and the personal representatives of a deceased farmer.

A farming operation is defined in section 4AB of the Farm Debt Mediation Act 1994 (NSW) as meaning a business undertaking that primarily involves one or more of the following activities:

a. agriculture (for example, crop growing and livestock or grain farming)

b. aquaculture

c. the cultivation or harvesting of timber or native vegetation

and/or any activity involving primary production carried out in connection with an activity referred to in paragraphs a. to c.

Fringe Benefits Tax or FBT is a tax paid by employers on certain benefits provided to their employees or to their employees' family or other associates. FBT is separate to income tax and is calculated on the taxable value of the fringe benefit.

Finance Lease means a financing agreement which provides a right to use and control an asset but does not convey to the lessee any ownership right or option to acquire the asset, and under which the lessee bears the risk in the underlying value of the asset at the end of the contract.

Guarantor means an individual who gives a guarantee and/or indemnity to secure a Loan.

Hire Purchase is an agreement between a borrower and a lender to buy a vehicle or equipment over an agreed period.

Household Expenditure Measure means a standard benchmark developed by the *Melbourne Institute* and used by some lenders to estimate a loan applicant's annual expenses.

Insurance Premium Funding Product means a loan which has a Term and where:

a. the finance is provided (or to be provided) fora purpose that is wholly or predominantly to fund Insurance Premiums; and

b. the finance provided (or to be provided) is:

  i. unsecured (with or without a guarantee), or

  ii. secured by any form of security that is not a mortgage over land in registrable form.

Intermediary means people or entities with whom we have a written agreement who are involved in the distribution of our products or who refer you to us. In this Code, Intermediaries cover (but are not limited to) brokers, aggregators, advisers, motor dealers, introducers, and referrers.

Large Corporate Customer means a customer that is:

a. listed on an Australian or overseas stock exchange; or

b. a partnership or joint venture with more than 20 partners or venturers; or

c. an APRA-regulated entity; or

d. an Australian Financial Services Licensee or Australian Credit Licensee; or

e. a corporate collective investment vehicle; or

f. a member of a business group that includes any of the above.

Loan means a loan offered or provided to a Customer by a Code Member.

Loan Amount means the total amount of credit or finance made available, or to be made available, under a loan contract.

Low Cost Credit Contract (LCCC) means a contract where:

a. credit is or may be provided under the contract; and

b. the contract is a BNPL contract or a contract prescribed by the NCCP regulations; and

c. the period during which credit is or may be provided under the contract is no longer than the period (if any) prescribed by the NCCP regulations; and

d. the contract satisfies any requirements prescribed by the NCCP regulations that relate to fees or charges that are or may be payable under the contract;

e. the contract satisfies any other requirements prescribed by the NCCP regulations.

An LCCC provider may follow the modified responsible lending obligations and must meet certain fee cap conditions.

Motor Dealer means a person or business who carries on the business of buying, selling or exchanging motor vehicles, and does not include a credit provider.

NCCP Act means the *National Consumer Credit Protection Act 2009* , as varied from time to time.

Novated lease means a finance lease or an operating lease that has been novated via a tripartite agreement between the lessor, the lessee and the lessee's employer (who is a client of the lessor), with the employer becoming the lessee for the duration of the novation agreement.

Novated Lease Interest Rate means the compound interest rate (where interest is applied or compounded on a monthly basis) that is used to determine your novated lease repayments by reference to the net amount financed, the number and pattern of finance payments and the residual value.

Operating Lease means a financing agreement that provides a right to use and control an asset but does not convey any ownership right or option to acquire the asset, and under which the lessor bears the risk in the underlying value of the asset at the end of the contract.

Product Disclosure Statement (PDS) has the meaning set out in section 1012C of the *Corporations Act 2001*.

Residual Value (also known as a residual payment) means the estimated value of a vehicle at the end of the lease term taking into account the depreciation in the value of the vehicle over time.

Retailer means a person or business that sells goods or services to the public.

Security means an asset pledged by a borrower to the lender to secure a borrower's obligations to the lender under the contract. For a Consumer, it may be property or a vehicle, or the asset that is acquired with the proceeds of the loan. For a Small Business customer, it may be property, inventory, account receivables or another asset used as collateral for a loan.

Small Business means a business that:

a. employs fewer than 100 people at the time the contract is signed; or

b. has a turnover for the last income year of less than $10,000,000; and

c. the upfront price payable under the contract does not exceed $5,000,000.

Target Market Determination (TMD) has the meaning set out in section 994B of the *Corporations Act 2001*.

Term Loan is a loan for a specific amount that the borrower repays in instalments according to a specified repayment schedule for a defined period. The interest rate can be either fixed or variable (also known as a floating rate) for the term of the loan.

Upfront price payable is the amount disclosed to a Small Business customer for the supply of the product at or before the time the contract is entered into. It does not include any fees or charges for something that may or may not happen during the contract. For example, for a business loan contract the upfront price includes the amount borrowed (principal), the interest rate and any establishment fee disclosed when the contract is entered into, but not loan default fees as these fees are contingent on the borrower defaulting.

Schedules to the Code

These Schedules set out additional information about specific products offered by us. The Schedules describe in more detail how we will meet our commitments to you under this Code and form part of the Code.

A Schedule only applies to the product referred to in it. If there is an inconsistency between the detail in a Schedule and any other section of the Code, the detail in the Schedule will prevail to the extent of the inconsistency.

If you are not sure which Schedule applies to your product, please ask us.

Schedule 1: Consumer Finance

Schedule 2: Novated Leasing

Schedule 3: Small Business Finance

Schedule 4: Low Cost Credit Contracts

Schedule 5: Insurance Premium Funding

Schedule 1: Consumer Finance

Introduction

1.1 This Schedule applies to contracts regulated by the NCCP Act.

1.2 This Schedule does not apply to Low Cost Credit Contracts which are covered by Schedule 4.

1.3 The NCCP Act regulates your contract with us if, at the time you enter into the contract:

a. you are a Consumer; and

b. the credit is provided or intended to be provided wholly or predominantly (such as more than 50%) for personal, domestic or household purposes.

1.4 Generally, consumer credit contracts for mortgages, personal loans, credit cards and car loans are regulated by the NCCP Act. The NCCP Act does not apply to some types of consumer credit, including low-cost short-term credit (less than 62 days), insurance premiums paid by instalments, bill facilities, and staff loans.

1.5 If your contract with us is regulated by the NCCP Act:

- we must provide you with certain information before you enter a credit contract with us;
- you have a right to request certain relevant documents;
- we must be members of AFCA, which is a free and independent EDR scheme;
- you may have rights to challenge our contract if it is unjust or if the loan is unsuitable for you;
- you may seek support from us if you are experiencing financial difficulty or other hardship; and
- we must take specific steps where applicable before enforcing our rights under the credit contract – for example, before repossessing property or commencing court action. However, there are some circumstances where there is no requirement for us to give you notice before we commence action to enforce our rights – for example, where we reasonably think urgent action is necessary to protect a vehicle or other goods subject to our contract.

1.6 This Schedule also provides additional information for Consumers about vehicle finance that is regulated under the NCCP Act.

About Consumer credit

1.7 Consumer credit can be:

- a single loan repaid over a fixed term with interest and/or fees – for example, a personal loan, with or without a redraw facility. It may be secured or unsecured; or
- a continuing line of credit with no fixed term which generally attracts variable interest and/or fees and requires minimum repayments that vary depending on the outstanding balance – for example, a credit card. It is generally unsecured.

Obtaining Consumer credit

1.8 We may allow you to apply for credit in different ways – for example by:

a. applying to us directly (where we make this available);

b. referral to us from another entity in our corporate group; or

c. being “introduced” to us by a Retailer, a finance or mortgage broker, or adviser who is not part of our corporate group. These Intermediaries can also be known as “introducers” or “distributors”.

1.9 An Intermediary is not the person who provides you with credit. An Intermediary may be an independent business that is unrelated to us. If an Intermediary refers you to us, and we accept and approve your application for credit, we will be the credit provider under your contract. We may pay a commission to the Intermediary if you enter into (and settle) a credit contract with us.

1.10 We may authorise Intermediaries (such as motor dealers) to assist you to apply for a credit contract with us so that the credit can be used to purchase goods or services from them. These Intermediaries generally act for us. Other Intermediaries (such as mortgage brokers) may assist to you apply for a credit contract from a number of different credit providers. Those Intermediaries generally act for you.

1.11 An Intermediary may charge you a separate fee for the services they provide to you. We may allow you to finance this fee in your loan so you do not need to pay this upfront. However, you may pay interest on that fee if it is financed in your loan. You can also ask the Intermediary about their fees.

Brokers and advisers

1.12 Generally, Intermediaries who are brokers or advisers must hold an Australian Credit Licence (ACL) to provide you with credit services (such as credit assistance, which is where a broker or adviser helps you to apply for a particular credit contract with a particular credit provider) or be appointed as an Authorised Credit Representative (ACR) by someone who does hold an ACL.

1.13 If we hold an ACL, we are responsible for our ACRs (if we have them) and our other representatives, including the people we or our related entities employ directly. We will train, supervise and monitor their conduct, which may include their interactions with you.

1.14 If a broker or adviser holds an ACL and is proposing to provide you with a credit service, they must first provide you with a “credit quote” or similar document. This will include information about the service they will provide and the maximum fees they will charge you for providing the service. You must accept the credit quote as agreement to pay the fee.

Suppliers

1.15 We may arrange for suppliers (such as Retailers and Motor Dealers) to distribute our products. We may authorise these suppliers and their staff to act on our behalf to assist you to apply for a credit contract with us, where the credit will be used to purchase something from the supplier (such as household goods, a car or vehicle).

1.16 Provided certain conditions are met, those suppliers and their staff will not need to hold an ACL or be an ACR to provide this assistance to you. A licensing exemption may apply such as the 'Point of Sale' (POS) exemption or the ‘passing on documents’ exemption.

1.17 We will take reasonable steps to ensure these suppliers and their staff comply with laws and regulations relevant to the offer of credit, are adequately trained about our product, and provide you with relevant information and documentation in relation to the credit contract with us. If the credit product we provide to you is marketed as "buy now pay later", we will take reasonable and appropriate steps to ensure that suppliers with whom we have a direct relationship do not distribute our credit products (including a BNPL arrangement) for online gambling, retail gambling, gambling at domestic or offshore casinos, or the purchase of firearms.

Responsible lending

1.18 We have responsible lending obligations under the NCCP Act. We will not enter into a credit contract with you, or increase the limit under your existing credit contract, unless we have met our obligations, which require us to:

a. make reasonable inquiries about your requirements and objectives in relation to the contract;
b. make reasonable inquiries about your financial situation;
c. take reasonable steps to verify your financial situation; and
d. assess whether the loan will not be unsuitable for you.

1.19 Our obligations to make reasonable inquiries about your requirements, objectives and financial situation and take reasonable steps to verify your financial situation are scalable. This means that what we need to do to meet our obligations will vary according to a range of different circumstances as relevant to your application. We will do our best to make these processes as efficient as possible.

1.20 To understand your financial situation, we will ask you to give us certain information, which may include details about:

- your income – including your source(s) of income, how much you earn, or the frequency and regularity of your income;
- your expenses – such as your living expenses (which may include rent, utilities, groceries, medical, motor vehicle, clothing, education and insurance) and your existing credit commitments such as repayments you make for your mortgage, your credit card(s) or any other loans you have or debts that you owe;
- your assets – such as the things that you own, savings, property, shareholdings, motor vehicles and so on; and
- your total liabilities – such as what you owe on your mortgage, vehicle finance, personal loans, credit cards or any other debts that you owe.

1.21 We expect that you (and where you engage the services of an Intermediary, they) will provide us with complete and accurate details. You may be asked to sign a statement confirming this information is correct.

1.22 To verify your financial situation, we may conduct certain checks or collate certain information (with your consent) or we may ask you to provide certain information, depending on the circumstances relevant to your application.

1.23 We must assess the credit contract as unsuitable for you if, at the time of the assessment, it is likely that you will be unable to comply with the financial obligations under the contract or could only comply with substantial hardship. To determine whether you will be able to meet your financial commitments without substantial financial hardship, we will use our credit assessment criteria which may also include using financial benchmarks (such as the Household Expenditure Measure) as a comparison tool to assist in our credit assessment.

1.24 We must also assess a credit contract as unsuitable for you if, at the time of the assessment, it is likely that:

a. the contract will not meet your requirements or objectives; or
b. if the *National Consumer Credit Protection Regulations 2010 (Cth)* prescribe circumstances in which a credit contract is unsuitable – those circumstances will apply.

Credit reports

1.25 We may check your credit records and take your credit history into account in deciding whether to give you a loan. A credit report is a record about your credit activities. It may include information about your credit enquiries, payment defaults, ATO tax defaults, and repayments with credit providers. The information we collect is not limited to the finance industry, but may include your credit activities in relation to utility or telecommunication companies as well. This information is managed by a credit reporting agency and may also include a credit rating, which is based on your credit history.

1.26 Your credit report usually includes:

- your details including full name, date of birth, current and previous addresses, current and previous employers;
- your repayment history including current loans, due dates for payments, whether you made payments by the due date, dates of missed payments and financial hardship variations;
- your credit history including loans you have applied for, defaults over 60 days, where collection activity was undertaken, and any credit infringements imposed; and
- other information such as bankruptcies (for up to 7 years after they occurred), Court judgments, debt agreements and personal insolvency agreements (for up to 5 years after they occurred).

1.27 If you use an Intermediary to obtain a loan, you will be asked to accept their or the licensee's privacy consent document, which will then be made available to us if requested and we may rely on that consent to conduct a credit enquiry.

Information about your loan

Disclosure obligations

1.28 We must give you a credit guide, which is a document that provides you with essential information about us as well as your prospective credit contract. The credit contract will include specific details about your loan (such as the loan amount, the repayment amounts and frequency, interest (where applicable), and fees and charges) that you should carefully consider.

1.29 You should read the credit guide and the credit contract before entering into a credit agreement with us.

Copies of documents, statements and other information

1.30 After we enter into a credit contract with you, we will provide you (and your Guarantor, if applicable) a copy of the signed credit contract, including the terms and conditions and the standard fees.

1.31 If at any time during the term of the credit contract you make a request in writing for a copy of the contract, any credit-related insurance contract in our possession or any notice we have given to you or your guarantor, we will provide these documents to you within 30 days.

1.32 If for some reason we are unable to provide a document within this timeframe, we will advise you of this together with the expected timeframe for providing the document. Documents may be provided in electronic or digital form where this is allowed by law, including in the form of a computer-generated record or in any other form as mutually agreed.

We will ensure co-borrowers are informed about rights and obligations

1.33 You become a co-borrower if you sign a loan alongside another person who also provides their signature as a borrower, and this signifies your acceptance of the credit contract. Co-borrowers can be jointly and severally liable for the entire debt owed under a credit contract. This means if your co-borrower is unable to pay their share of the loan, you will become responsible for repaying the full amount outstanding. This liability continues even if your co-borrower files for bankruptcy or enters a debt agreement or personal insolvency agreement to deal with their unmanageable debt. You should be aware, at the time of signing the credit contract, that there is a possibility you will be held liable for the entire debt.

1.34 Our credit contract will explain your rights and obligations and the risks associated with becoming a co-borrower.

1.35 If you tell us that you are the victim of financial abuse or you are being coerced into becoming a co-borrower, we will do what we reasonably can to help you, including not accepting you as a co-borrower. We may also allow you to end your liability as a co-borrower before the credit is provided.

Guarantors

1.36 If you guarantee another person's obligations under a credit contract, you are known as the "Guarantor" of that contract.

1.37 As a Guarantor you will generally be responsible for paying back all amounts owing under a contract if the customer cannot (or will not) make the payments. As Guarantor, you may also be liable to pay any fees, charges and interest added to the principal as well as any enforcement expenses.

Signing a guarantee

1.38 You must make your own decision about whether you will become a Guarantor.

1.39 Before you sign a guarantee, we will give you a copy of the proposed credit contract that explains your rights and obligations as a Guarantor, including that:

- you can refuse to sign the guarantee (although if you do so we may be unable to provide the borrower with credit);

- you may have a right to limit your liability (you can discuss with us how this can be done);
- there are financial risks involved;
- the guarantee may cover future Loans and variations of the existing Loan with your written consent;
- you should consider the information and documents we provide to you, and you can request further information or clarification if required;
- you should seek independent legal and financial advice – in some circumstances, we may require that you obtain such advice as a condition of accepting your guarantee.

1.40 If the guarantee relates to a Loan that is regulated under the NCCP Act, we will also include a warning notice that appears immediately above where you sign the guarantee substantially in the form required by Form 8 of the NCCP Regulations.

1.41 We will also give you a copy of the following documents or information in relation to the borrower:

- a list of any related security contracts;
- any related credit report from a credit reporting body;
- any current credit related insurance contract that we have;
- any financial accounts or statement of financial position the borrower has given us in the last 2 years for the purposes of the guaranteed loan; and
- the latest statement of account for the loan for a period in which a notice of demand was made by us within the last 2 years.

1.42 You should carefully read the guarantee document, the proposed credit contract, and any other documents we give you before you sign the guarantee. We will inform you that you should seek independent legal and financial advice.

1.43 Except where the credit agreement and guarantee are in one and the same document, we will give the guarantee documents to you or your representative, and not to the borrower or someone acting on their behalf, to arrange for you to sign.

During a guarantee period

1.44 You may ask us to further limit the liabilities you have guaranteed under your guarantee. However, we do not have to accept this if:

a. the amount of the limit you request does not cover the borrower's existing liability (plus any interest owed, any fees or charges that we incur in respect of the liability) under the relevant loan contract;

b. we are obliged to provide further credit to the borrower; or

c. we will not be able to preserve the current value of an asset that is security for the loan without providing further credit.

1.45 If you ask us, we will give you additional copies of information we have already given you about the guarantee, provided you were not given that information in the last 3 months before your request.

Extending your guarantee

1.46 If a borrower obtains a new loan or has changes made to an existing loan, this may be covered by your guarantee if it falls within the limits of your guarantee.

1.47 If we agree to increase the limit in your guarantee, we will give you the information in clause 1.41 again and obtain your written agreement to the extension of the guarantee.

1.48 We will also give you any notice of demand made by us to the borrower about the loan that has not been satisfied.

Withdrawing your guarantee

1.49 You can notify us in writing that you are withdrawing your guarantee:

a. at any time before we provide credit under the loan (although if you do so we may not be able to provide the borrower with credit); or

b. after credit is first provided, if the signed version of the loan is different in a material respect from the proposed loan we gave you before you signed the guarantee. This does not apply to any change described in clause 1.46.

Ending your guarantee

1.50 You can end your liability under the guarantee you have given to us by:

a. paying us the lower of the borrower's outstanding liability (including any future or contingent liability) or the amount to which your guarantee of the borrower's liability is limited under guarantee; or

b. making other arrangements that we agree on to release you from the guarantee.

Our rights under the guarantee

1.51 We will not enforce any mortgage or security you have given us in connection with the guarantee, such as a mortgage over your principal place of residence, unless we have first enforced any mortgage or other security that the borrower has given for the guaranteed liability.

1.52 Before we enforce a mortgage over your principal place of residence, we will encourage you to tell us about your circumstances so we can consider other reasonable alternatives for you to repay the guaranteed liability.

1.53 In relation to secured lending, we will not enforce any judgement against you under the guarantee unless:

a. we have first enforced any mortgage or other security that the borrower has provided for the guaranteed liability; and

b. if one or more of the following has occurred:

i. we have obtained a court judgement in our favour against the borrower for payment of the guaranteed liability and the judgement debt remains unpaid for at least 30 days after our written demand for payment;
ii. we have made reasonable attempts to locate the borrower, but without success;
iii. the borrower is insolvent.

1.54 However, the conditions in clause 1.53 do not apply if, after the default notice is issued and after we have informed you of the limitations of our enforcement rights, you specifically agree in writing that they do not apply.

1.55 Furthermore, the conditions in clause 1.53 do not require us to first enforce any mortgage or other security that the borrower has provided if:

a. we reasonably expect that the net proceeds will not be sufficient to repay a substantial portion of the guaranteed liability; or

b. as a result of the borrower not providing us with information, documents or access to premises or assets – we are unable to reasonably assess whether the net proceeds will not be sufficient to repay a substantial portion of the guaranteed liability.

Guarantors experiencing financial difficulty

1.56 If you are a Guarantor and we have made a demand for you to pay under a guarantee and you are experiencing financial difficulty, you should contact us as soon as possible to discuss your options.

Defaults, debt recovery and repossession of secured assets

1.57 If your contract is regulated under the NCCP Act and you have requested hardship assistance, we will generally suspend any recovery action against you until a decision has been made about your hardship request and that decision has been communicated to you via your last known address or contact details. There are some circumstances where we do not need to suspend our recovery action (for example - if you have requested financial hardship assistance in the previous four months and on a materially similar basis, or we reasonably think that urgent action is necessary to protect the asset or other goods subject to the credit contract).

1.58 If you have made a complaint to AFCA, we will adhere to AFCA's requirements for dealing with the complaint, including any requirements about recovery action.

1.59 We will not proceed with any recovery action if we have agreed to a financial hardship arrangement with you and you are meeting your obligations under that arrangement. We will not on-sell or assign your debt to a debt collector during a temporary financial hardship arrangement.

1.60 In certain circumstances (such as where we have agreed a variation to your credit contract as part of a longer-term hardship arrangement), we may reach an agreement with you for you to voluntarily surrender the asset you purchased with the proceeds of our loan so we can sell it and apply the proceeds towards repaying the amounts you owe to us. We may also require you to enter into a new arrangement with us to pay any shortfall following the sale of the asset within a specific period.

1.61 We may ask a third party to manage these arrangements for us. That party will be authorised to take further actions and implement additional financial hardship processes, if needed.

Defaults

1.62 If you default on your repayments, we may be entitled to repossess the asset or other goods used as security.

1.63 If this is the case, you have protections under the NCCP Act that we must follow:

- We must issue you with a credit default notice, unless one of the exceptions in section 88(5) of the National Credit Code applies. If you fail to comply with the notice within the prescribed timeframes, we may be entitled to repossess the asset or assets.
- We must give you a written notice within 14 calendar days of repossessing the assets, which sets out the estimated value of the assets, the enforcement expenses incurred to date, and a statement of your Consumer rights, unless an exception under the law applies.
- You have 21 calendar days to respond to the notice unless we have a legal entitlement to waive this timeframe.
- If the arrears and enforcement expenses specified in the notice are paid within 21 days we must return any goods to you.
- If you do not take any of the steps set out in the notice, we can sell the assets.
- We must sell the assets for the best price reasonably obtainable. It is in our interests and yours that we obtain the highest possible sale price. After we sell the assets, we must give you a notice setting out the amount realised from the sale. There may be a shortfall between the sale price of the assets and amount owing on the loan, in which case we must tell you the amount left to pay by you (if any).

1.64 This process does not usually apply to repossession for default on home loan repayments. In these cases, court action will normally be commenced to repossess the mortgaged property.

Vehicle Finance for Consumers

1.65 This section provides further information about vehicle finance for Consumers.

1.66 As a lender, we may specialise in providing vehicle finance or we may provide it as part of our broader Consumer lending business.

1.67 Vehicle finance refers to lending for vehicles, including but not limited to, new and used cars, campervans, caravans, vans, motorcycles, motorised marine craft and all-terrain vehicles, where the vehicle is used as security for the loan.

1.68 If you are an individual who applies for a loan in your own name to purchase a vehicle, but the vehicle is predominantly for a business purpose, the NCCP Act will not apply to the loan and you may be asked to sign a “business purpose declaration”. In this case, the clauses about commercial vehicle finance in Schedule 3 apply to you.

About vehicle finance

1.69 Vehicle finance helps you to spread the cost of purchasing a vehicle over the duration of the loan, known as the “term” of the loan. Interest rates for vehicle finance are set by us for the term of the loan and confirmed in the loan agreement.

Financing insurance and other products through vehicle finance

1.70 When you take out vehicle finance with us, the security (that is, the vehicle) must be comprehensively insured, but you have your choice of insurer.

1.71 Some lenders allow you to finance the cost of insurance and other products (such as warranties offered by a Motor Dealer) as part of the loan. You can ask us, or the Motor Dealer who is introducing you to us, if we allow these costs to be financed.

Add-on insurance products

1.72 A Motor Dealer may provide you with additional information about add-on insurance products.

1.73 Add-on insurance products include, but are not limited to, insurance coverage for tyre and rim damage, key replacement, and engine protection. You will need to consider if add-on insurance is something you need.

1.74 The law imposes a mandatory four day pause period between the sale of a vehicle to you or the entry into a credit contract with us, and the sale of any add-on insurance. This period of time will give you further opportunity to consider whether you need the add-on insurance product.

Breaking a vehicle finance contract

1.75 If you want to end the credit contract before the end of the loan term, you will be required to pay out the loan in full. We may also charge an early repayment fee or break costs for ending the contract early. If you ask, we will provide you with an estimate of the costs you will need to pay for breaking the loan early.

Prompt and fair resolution of complaints

Complaints about the vehicle

1.76 If the seller of the vehicle is a licensed dealer, they will provide you with information about how to make a complaint about the vehicle and/or their sales practices.

1.77 If you bought the vehicle privately, your rights under consumer laws are different. You are not entitled to any cooling-off period or a statutory warranty and may have limited recourse against the seller.

1.78 You can get further information and guidance on your rights and how to make a complaint about a vehicle from the ACCC and the consumer affairs department or fair trading office in your State or Territory.

Complaints about insurance

1.79 If you have a complaint about the insurance that you have taken out in relation to the vehicle, you should contact the insurance provider. You should be able to find information in the insurer's product disclosure statement (PDS), your policy document, or on the insurer's website about how to make a complaint.

Schedule 2: Novated Leasing

Introduction

2.1 This Schedule applies to a novated lease for a vehicle entered into by an individual through their employer and salary packaging arrangements related to that lease. A novated lease is not credit regulated under the NCCP Act, and Schedule 1 of this Code does not apply to novated leasing.

2.2 This Schedule does not apply to salary packaging for other types of benefits and does not apply to fleet finance for Small Business customers, which is covered by Schedule 3. This Schedule also does not apply to our contractual or other arrangements with employers.

How does a novated lease work?

2.3 There are different types of services offered in the novated leasing sector, including salary packaging, finance for vehicles, and vehicle management services. These services may be provided by one or more entities.

2.4 A salary packager helps set up and manage your salary deductions for a novated lease, but does not provide vehicle financing or manage the vehicle itself.

2.5 A novated lease provider arranges and might be the financier for your vehicle, but does not typically handle salary packaging (unless they also act as a salary packager) or provide day-to-day vehicle management services.

2.6 A financier provides the finance for your vehicle, but does not provide any other services related to the novated lease, the vehicle or your salary package.

2.7 If a novated lease provider also offers maintenance, fuel cards, and insurance, they would be both a novated lease provider and/or a salary packager and/or a vehicle management company, offering an all-in-one solution.

2.8 This Schedule and the Code applies to us if:

a. we are the novated lease provider and we are the financier for the vehicle – this means we are responsible for the obligations related to the finance lease and the novation agreement; and/or

b. we are the salary packager – this means we are responsible for the obligations relating to the non-financed components of the salary package; or

c. we are the financier for the vehicle – this means we are responsible for the obligations relating to the finance lease and the novation agreement.

2.9 A “financed component” means amounts financed for the vehicle, but may also include things such as on-road costs, CTP insurance, registration, after-market products, such as a window tint, other insurances (in some cases) and so on.

2.10 A “non-financed component” means other amounts that are subject to a budget that is “packaged” or set aside by a salary packager and might include things, such as maintenance, fuel cards, insurance, and roadside assistance.

2.11 A novated lease is a three-way agreement between you, the novated lease provider or the financier, and your employer. Your employer may offer a novated lease to you as part of your overall remuneration arrangements. You will need to make your own enquiries with your employer whether this is an option that is available to you.

2.12 A novated lease is a finance arrangement used with salary packaging where your employer pays for the vehicle lease and running costs out of your salary package. These may be a combination of pre-tax and post-tax salary deductions. You enter into a finance or operating lease with a financier and have the use of the vehicle. Your employer makes deductions from your salary.

2.13 Your lease instalments for the vehicle, including any finance costs, such as fees and interest, and running costs such as fuel, servicing, registration, on-road costs, insurance and fringe benefits tax (FBT) may be calculated into the deductions your employer takes out of your salary.

2.14 Your employer will remit the deductions to the salary packager who will then allocate the payments in accordance with the terms of your salary package. Salary deductions received from your employer will be applied to your lease payments.

Information about your novated lease and salary package

2.15 Before you enter into a novated lease and salary package, you will be given information by the financier or the salary packager depending on the service they provide:

Salary packager - Information in your quote	**Financier - Information in your finance lease agreement**
Details of the vehicle you have chosen, including all options and accessories	Lease rental payments
The proposed term of the lease, which typically varies from one to five years	The proposed term of the lease, which typically varies from one to five years
The estimated deductions from your salary which will include lease payments, and may include registration, any budgeted components applicable for the vehicle, such as a fuel card, servicing, comprehensive insurance, any breakdown or roadside assistance package or other products and services, which may be calculated on a monthly or other basis	
The pre and post-tax amounts that make up your estimated total lease deduction and the resulting impact on your take home salary	
Administration fees and document fees	

Whether any commissions may be paid or received in relation to your lease and by whom	Whether any commissions may be paid or received in relation to your lease and by whom
The residual value for which you are liable at the end of the lease, exclusive of GST	The residual value for which you are liable at the end of the lease, inclusive of GST
All relevant taxes that are payable on the purchase of the vehicle such as stamp duty and luxury car tax (where applicable) and information on the FBT value	

2.16 Your quote will also include the amount financed, the amount of the lease payments spread over the number of payroll periods during your lease, and may include the Novated Lease Interest Rate.

Insurance for your leased vehicle

Comprehensive insurance

2.17 You will be required to comprehensively insure your vehicle for the term of the novated lease. You have the option to choose any comprehensive insurance offered through your salary package provider or you can elect to source your own insurance provided it meets the terms of the novation agreement.

2.18 A novated lease provider or salary packager's quote will include information about any insurance products that are included in the novation agreement, the amount of the premium, and a copy of or a link to the insurance product disclosure statement (PDS).

Additional or add-on insurance

2.19 A salary package may include add-on insurance. In some cases, employers may require an employee to have certain add-on insurance. Add-on insurance products include, but are not limited to, insurance coverage for tyre and rim damage, key replacement, and engine protection. If you purchase add-on insurance as a condition of participating in your employer's novated leasing/salary packaging program, the salary packager will tell you the total premium for the add-on insurance over the life of the product and provide you with a copy of or a link to the insurer's product disclosure statement (PDS).

2.20 If you have opted to receive information about an add-on insurance product, the salary packager will give you clear information to enable you to make an informed decision about purchasing the add-on insurance product including:

- the total cost of the insurance;
- how long the insurance lasts for;
- the dollar limits on benefits payable under the insurance;
- the date the insurance ends;
- any key policy exclusions such as age, residency and employment status; and
- the limits of the policy, including the circumstances in which a payout will be made and the amount of the payout.

2.21 The law imposes a mandatory four day pause period between you entering a novated lease and the sale of any add-on insurance. This period of time will give you further opportunity to consider whether you need the add-on insurance product.

2.22 You can also opt out of receiving any communication about add-on insurance.

Changes to your novated lease

Changing employer

2.23 If you change employer or cease employment this may have significant impacts in relation to your novated lease. This is because all finance payments and other benefits (such as a fuel card) in a novated lease are linked to your employer.

2.24 The salary packager will provide information about the process of changing or ceasing employment with your employer when you enter into a novated lease, based on the relevant rules and taxation arrangements that are known at that time. These can change over time.

2.25 If you change employer then normally the novation arrangement with your employer will end.

2.26 If you have a new employer, you may be able to enter into a new novation agreement with the financier and your new employer. This will be subject to any of your new employer's policies or conditions, and the novated lease provider agreeing to provide novated lease arrangements through your new employer.

2.27 If your new employer does not enter into a new novation agreement, you will be required to manage the financial obligations yourself, whether that might be by paying out the lease in full or making monthly payments (see below). You will need to discuss this with your financier or novated lease provider.

Breaking a novated lease contract

2.28 If you want to terminate the lease early you will be advised about the total costs to be paid by you to end the lease.

2.29 Depending on the length of the lease that has expired, the payout amount may be higher than the current market value of the vehicle.

2.30 There may be early repayment and other administration fees for ending the lease. If there are such fees, the novated lease provider will tell you the total costs to be paid by you for breaking the lease early.

Overspending on the lease budget

2.31 The salary packager will provide you with running costs budget statements. If the salary packager or novated lease provider expects that your running costs will exceed the budget, then the salary packager or novated lease provider may discuss with you how to bring your running costs budget into line.

2.32 If there is overspend and you are asked to modify the spending, that modification cannot be unreasonably refused by you. Otherwise, the salary packager or novated lease provider may have the right to curtail services to bring the budget back into line.

Disclosure about options at the end of your lease

2.33 You will be given clear information by the novated leasing provider or the financier about the options available to you at the end of your novated lease in relation to the return of the vehicle or paying the financier the residual value immediately at the end of the lease (depending on the type of lease you have).

Prompt and fair resolution of complaints and disputes

Complaints about novated lease finance

2.34 If we are the financier and we are not able to resolve the complaint to your satisfaction, then we will provide you with information about other options that may be available to you.

2.35 If we act as agent for a principal who is the funder of your novated lease finance and the funder is not able to resolve the dispute to your satisfaction, and the funder is a member of AFCA and the matter is subject to AFCA's jurisdiction, you can complain to AFCA about the finance and/or the entity who is the funder of the finance. We will not be able to resolve your complaint if we act as an agent for the funder.

Complaints about the vehicle

2.36 If your complaint relates to vehicle-specific matters, such as the acquisition, or maintenance of the vehicle (or an after-market product for the vehicle), or a warranty claim in relation to the vehicle (or an after-market product for the vehicle) you should first contact the dealer or seller directly, especially if you sourced the vehicle yourself.

Complaints about insurance

2.37 If you have a complaint about the insurance taken out in relation to the vehicle, you should contact the insurance provider or the person who distributed the insurance to you. We will provide you with the insurer's contact details if the insurance was arranged through us. If the insurer is not able to resolve the complaint to your satisfaction, then you can raise your dispute with AFCA.

2.38 If your employer has their own insurance arrangements in place that apply to your vehicle, you will need to resolve any insurance-related complaints with your employer.

Complaints about salary packaging

2.39 If you have a complaint about your salary packaging arrangement, or a component of the arrangement, such as a fuel card, you should contact the salary packaging provider. If the salary packaging provider is not able to resolve the complaint to your satisfaction, they should tell you about options for external dispute resolution (EDR), which might include access to a customer advocate or AFCA, in some cases.

Complaints about independent advice

2.40 Complaints about the independent tax or financial advice you received prior to entering into a novated lease contract should be made to the person or firm who gave you that advice. If the adviser is not able to resolve the complaint to your satisfaction, you can complain to:

- AFCA, if the person is a financial adviser;
- Chartered Accountants Australia & New Zealand or CPA Australia, if the person is an accountant; or
- the Law Society or Bar Association in your State or Territory, if the person is a lawyer.

Schedule 3: Small Business Finance

Introduction

3.1 This Schedule relates to Small Business lending where the finance we provide is to be used for a purpose that is wholly or predominantly a business or commercial purpose. This means the finance will not be used predominantly for household, domestic or personal purposes, such as living expenses or the purchase of household goods.

3.2 Loans for predominantly business or commercial purposes are not regulated under the NCCP Act.

3.3 This Schedule and the Code relate to term loans and other forms of finance that may be available to Small Business customers covered by this Code, but it does not apply to finance for Commercial Property, Large Corporate, or government and semi-government customers. This Schedule does not apply to Insurance Premium Funding Products which are covered by Schedule 5.

3.4 If your loan relates to a vehicle to be used for business purposes, the information about commercial vehicle finance at paragraphs 3.29 to 3.51 below may be relevant to you.

About Small Business loans

3.5 Small Business loans may be provided as secured or unsecured loans.

3.6 A secured loan is secured by a specific form of collateral, including physical assets such as property and equipment, or liquid assets such as cash, or other assets, such as inventory or accounts receivable. For example, an equipment loan is a type of secured business loan where security is taken over the asset or equipment you are using the loan to purchase.

3.7 Alternatively, security may not be required at loan origination (which means the process we use to assess and approve your loan application), but we may have the right to lodge a caveat or a "personal property security" interest in accordance with your loan contract. We may also request to have a personal property security interest on other assets in the form of what is called a "general security agreement". A general security agreement creates a security interest in your present and future assets. This means we would have access to all assets your business owns now and any future assets your business purchases as collateral for the loan issued. All security agreements must be registered on the Personal Property Securities Register maintained by the government.

3.8 You may be required to sign a personal guarantee in relation to a secured loan. This means that you may be personally liable for any debts taken out by your business if the business defaults on the loan.

3.9 An unsecured loan does not require any type of collateral. Instead of relying on your pledged assets or other goods as security, we can provide an unsecured loan based on our assessment of your creditworthiness taking into consideration a number of factors, including your credit history.

3.10 You may be required to sign a personal guarantee in relation to an unsecured loan.

Obtaining a Small Business loan

3.11 We will tell you how to apply for a loan including the information we need to assess your application. That information may be different depending on the type, size and purpose of the loan you are applying for.

3.12 You may be required to sign a “business purpose declaration” that confirms the credit to be provided is wholly or predominantly for a business purpose or investment purpose other than investment in residential property.

3.13 We will make our lending decisions, including decisions to increase existing loan products, based on information that has been provided to us or that we have collected. We will only provide our products and services to you where we believe you meet the requirements of our product and credit policy requirements.

3.14 We rely on the information you provide to us. We expect you or your representative, such as your finance broker, to provide full and accurate information when applying for a loan or the extension or increase of an existing loan product.

3.15 Before you accept a loan offer from us, we will give you our terms and conditions that will contain information about fees and charges and the features of the loan. This information might also be provided in the form of a summary or terms sheet. For term loans this includes:

a. the loan amount;
b. the repayment amount;
c. the term;
d. any early repayment fees (if applicable); and
e. whether any commissions may be paid or received in relation to your finance and by whom (if applicable).

3.16 For some forms of Small Business finance, not all of the information in 3.15.a.-e. is relevant or may not be ascertainable. For example, a “repayment amount” and a “term” cannot be determined for a revolving facility, such as a line of credit as the facility can be repeatedly drawn down by you in accordance with the terms and conditions of the product. We will give you clear information about fees and charges and features that are relevant to these finance products.

3.17 The documentation for our loan products will be drafted to comply with all applicable laws and regulations.

3.18 We will make sure any fees and charges payable to us after disbursement of the loan amount (such as late payment fees or direct debit dishonour fees) are reasonable having regard to the protection of our legitimate interests. Our costs include charges imposed by our service providers, where applicable.

After you take out a Small Business loan

3.19 Unless a longer period is required by law, we will use reasonable endeavours to give you 30 calendar days prior notice before we change your loan product (excluding changes to loan facility limits) or key contractual terms, except where a shorter period would be appropriate – such as giving you more time to repay your loan. Any agreed changes can commence from the time the change is agreed with you or from a later agreed time.

3.20 If we are permitted under your loan contract to change your interest rate and we want to do so, we will tell you as soon as possible, and in any event, no later than the date of the change, unless we are not able to because the interest rate is calculated according to a money market or some other external reference rate, or a rate otherwise designated as a variable rate or floating rate.

3.21 We will, at your request, give you information relating to your finance agreement, including a copy of your loan contract, terms and conditions and standard fees, a statement of your outstanding balance and any notice(s) we previously gave to you which is relevant to us exercising our rights. We will do this within 14 calendar days for loans less than a year old, and within 30 calendar days for loans more than a year old. If we cannot provide a document within this timeframe – for example, because the information request is more complex, or you or someone acting on your behalf with your authority has requested copies of all the documents and information relevant to your loan, we will advise you of this together with the expected timeframe for providing the documents. Documents may be in electronic, digital or any form mutually agreed.

3.22 We may also make information available to you through a self-service portal that has account information such as limits, payments, available credit and documents relating to your finance agreement.

When a loan is not extended

3.23 If you have a business loan and you are not in default, and the principal owing on your loan is not due to be fully repaid at the end of the scheduled term by regular periodic repayments, we will remind you about the loan termination date so that you have a reasonable period of time to apply for further finance or seek alternative finance.

3.24 If we extend or refinance your loan, we are not obliged to do so on the same terms and conditions.

Defaults, debt recovery and enforcement of loans

3.25 If you are a Small Business customer covered by this Code and you default or are at risk of defaulting on your obligations to us under your contract, you should contact us as soon as possible to seek assistance.

3.26 If you are in default, we will generally give you a notice to remedy the default (where the default is capable of being remedied) within a specific period before we either require you to repay the loan in full, return the asset or other goods or vehicle (if your contract is a lease) or start enforcement proceedings (including repossessing any security). We may not give you a notice if the law or our loan contract doesn't require us to. Your contract will specify how and when we will give you notice.

3.27 Our loan terms and conditions will specify how and when we will enforce a loan in relation to non-monetary defaults. A non-monetary default refers to a failure to keep, perform or observe any covenant, condition or agreement in your loan documents other than the obligation to repay money. This can include, but is not limited to, things such as:

- you or your Guarantor is insolvent or goes into bankruptcy, voluntary administration or some other insolvency process, or no longer has legal capacity;
- another creditor takes action against you or your Guarantor;
- you or your Guarantor gives us information that is materially incorrect or misleading (including by omission);
- you use the loan for a purpose that has not been agreed by us;
- legal or beneficial ownership, management or control of your business or a Guarantor changes without our consent;
- you have breached a key contractual term that results in an "Event of Default";
- it becomes unlawful for you or us to continue with the loan; or
- you have breached the law and we reasonably consider that this is likely to have a material impact on your ability to meet your financial obligations.

3.28 We will give you a notice specifying the grounds on which we consider there is a non-monetary default and give you reasonable time to remedy the non-monetary default where it is able to be remedied and we are willing to continue with the contract. However, there may be circumstances where it is reasonable for us not to do this – for example, where we believe there is a risk of the asset being disposed of.

Commercial Vehicle Finance for Small Business customers

3.29 This section provides some further information about commercial vehicle finance for Small Business customers.

3.30 Vehicles and vehicle fleets operated by Large Corporate Customers, government and semi-government entities are out of scope for the purposes of this Code.

About commercial vehicle finance

3.31 Commercial vehicle finance enables a Small Business customer who requires a vehicle or fleet of vehicles to operate their business to manage the acquisition, maintenance and disposal of those vehicles in a way that best suits their operational needs and financial circumstances. There can be different tax consequences depending on the type of finance.

Chattel mortgage

3.32 A chattel mortgage normally has a similar structure to a fixed rate home loan or mortgage. "Chattel" refers to the vehicle and "mortgage" refers to the loan. We use the vehicle(s) as the security for your loan.

3.33 Unlike a finance lease, operating lease or hire purchase, a chattel mortgage gives you ownership of the vehicle(s) and you then pay off the loan from the income in your business.

3.34 Subject to the terms and conditions of your loan and our credit policies, repayments may be structured over a range of terms and can be set at the same amount each month or structured to fit seasonal cash flow requirements. A balloon or residual payment can be set at the end of the term.

Finance lease

3.35 A finance lease is a rental agreement where we own the vehicle and you rent it from us for an agreed scheduled payment. Where the vehicle is managed by a service provider (such as a fleet management company), running costs associated with the vehicle may be included in the lease. However, where running costs are included on an estimated or budgeted basis, if the running costs are higher than anticipated, you may need to pay additional amounts to cover those costs.

Operating lease

3.36 An operating lease is similar to a long-term vehicle rental. We own the vehicle(s) and provide them to you for exclusive use. If the vehicles are fully maintained under the lease, the rental, specified maintenance and registration costs are combined into one scheduled payment. If the actual running costs are higher than the estimated costs included in the lease rental, you will not have to pay any more. A fully maintained operating lease will usually include a provision for additional maintenance costs to be the responsibility of the lessee if the lessee’s use of the vehicle is different from the original estimate – for example, because the lessee drives twice the number of estimated kilometres in the first year.

3.37 Alternatively, under a non-maintained operating lease, vehicle maintenance and running costs are not included in the monthly lease rental. You will be responsible for paying and administering all maintenance and other running costs.

3.38 You do not pay a deposit or other upfront payment and the vehicle is returned to us at the end of the operating lease.

Hire purchase

3.39 Hire purchase is another form of vehicle finance. Under a hire purchase agreement, we as the lender give you use of the vehicle in return for regular payments over an agreed period of time. There is no upfront deposit payable.

3.40 When you make the final payment, you own the vehicle. Hire purchase agreements can be structured with a Balloon Payment.

Taxation

3.41 There may be different taxation consequences for your business depending on the type of finance and you should consider obtaining professional taxation and accounting advice that takes account of your circumstances.

Taking out commercial vehicle finance

3.42 Applying for commercial vehicle finance is similar to the process for applying for other types of Small Business finance. We will tell you how to apply for the finance, including the information we need to assess your application. You may be required to sign a “business purpose declaration”.

Setting up a commercial vehicle finance agreement, including leases

3.43 We will give you a proposed contract setting out all the relevant information about your agreement with us so that you can make an informed decision and understand the key features, benefits, and costs of the finance before entering into an agreement with us.

3.44 We will provide written details of any circumstances under which the payments or vehicle specification might change before delivery of the vehicle to you. We will also clearly set out information about breaches of the leasing or finance agreement due to events (such as late or incorrect payments and the potential consequences of not keeping up with payments).

Information about your commercial vehicle finance

3.45 The finance documentation will set out:

- the details of the vehicle(s) you have chosen;
- the proposed term of the agreement;
- the estimated payments you will make under the agreement as well as the number and frequency of the payments;
- your responsibilities where applicable, regarding servicing and maintenance of the vehicle(s);
- any fees, taxes or charges related to the vehicle(s) that you are required to pay;
- information about the condition in which you are expected to return the vehicle(s) at the end of the agreement, if applicable;
- the options that may be available at the end of your agreement term; and
- the implications of ending the agreement before the contract end date.

Vehicle maintenance

3.46 If we are responsible for servicing and maintaining the vehicle(s), we will have practices and alerts in place so that servicing and maintenance is carried out in line with the manufacturer's guidelines and specifications.

3.47 If you are responsible for servicing and maintaining the vehicle(s), then our agreement will specify that this is to be carried out by you in line with the manufacturers' guidelines and specifications.

Early or voluntary termination of your agreement

3.48 We will clearly explain our policies about early termination or voluntary termination of an agreement. This may include information about any charges for unreasonable wear and tear, the recovery of any loss of value, any adjustments to finance or maintenance fees and charges, and the steps we will take in the event of a total loss of a leased vehicle, if relevant or requested by you.

Extension of your agreement

3.49 We are under no obligation to extend your agreement. However, if we do agree we will provide you with clear information about any changes to the services provided under the contract and the associated fees and charges. We will also provide information about the circumstances in which the vehicle might be taken back by us during any extension period.

At the end of your agreement

3.50 Your lease agreement documentation will explain our vehicle return standards, including vehicle condition, service and maintenance, and vehicle accessories. We will take reasonable steps to ensure that you understand what is required to return a vehicle with all required documentation and in the condition we require.

3.51 We will tell you about the vehicle collection process and our inspection procedures, as well as any additional charges that may relate (but are not limited to) excess kilometres, damage, missing equipment or accessories, and lack of servicing and maintenance. We will also tell you your rights relating to any dispute about the vehicle return procedures.

Schedule 4: Low Cost Credit Contracts

Introduction

4.1 This Schedule applies to Low Cost Credit Contracts (LCCCs). LCCCs are regulated by the NCCP Act.

4.2 Certain types of credit arrangements, such as low-cost short-term credit (less than 62 days) that are not continuing credit contracts or LCCCs, insurance premiums paid by instalments, bill facilities and staff loans are not regulated as LCCCs under the NCCP Act and therefore do not fall under this Schedule.

About LCCCs

4.3 The legislative framework for LCCCs applies specifically to credit provided to Consumers. A LCCC generally enables a Consumer to purchase goods or services and make payments through instalments, typically without interest, but potentially subject to fees.

4.4 A LCCC typically involves three parties – you as the Consumer, a merchant who provides goods or services and with whom we have a direct relationship, and us as the LCCC provider. We directly or indirectly pay the merchant for the good or service provided to you and then we collect repayments from you.

4.5 In addition to our general commitments in this Code, we will take reasonable and appropriate steps to ensure that merchants with whom we have a direct relationship do not provide our LCCCs (including a BNPL arrangement) for online gambling, retail gambling, gambling at domestic or offshore casinos, or the purchase of firearms.

4.6 If we offer a consumer credit product where repayments are made in instalments and market this product as a BNPL arrangement, we will retain this commitment about restricting the use of this consumer credit product for gambling and firearms.

Obtaining a LCCC

4.7 We may allow you to apply for a LCCC in different ways, for example:

a. by applying to us directly (where we make this available to you);

b. through a merchant who offers our product.

Modified responsible lending

4.8 The responsible lending obligations in the NCCP Act have been “modified” in relation to LCCCs. As an LCCC provider, we can elect to apply the modified responsible lending obligations for LCCCs. The modified responsible lending obligations will only apply to the class of LCCCs covered by the election.

4.9 Under the modified responsible lending obligations, we will not enter into a LCCC with you unless we have:

a. made reasonable inquiries about your requirements and objectives in relation to the LCCC;

b. made reasonable inquiries about and take reasonable steps to verify your financial situation; and

c. assessed whether the LCCC will not be unsuitable for you.

4.10 There are inquiries we must make about your income, expenditure, other credit products you may have and your credit history. To do this we will obtain information about your income and expenditure, and any LCCCs, small amount credit contracts, consumer leases and/or consumer credit products that you currently have.

4.11 We can decide how we will obtain that information, provided we reasonably believe the information is substantially correct. We may make further inquiries if we cannot form a reasonable belief that the information is substantially correct – for example, because the information is unclear, inconsistent or there are signs of fraud.

4.12 We will have a written policy known as an "unsuitability assessment policy" that sets out processes for ensuring compliance with our legal obligations to assess whether a LCCC or credit limit increase of an LCCC is unsuitable. We will conduct regular reviews of this policy and update it when circumstances suggest the policy is no longer effective.

4.13 We will not enter into an LCCC with you unless we have undertaken reasonable inquiries and verification, and performed an unsuitability assessment in the last 120 days.

4.14 If, before entering into the credit contract (or increasing the credit limit), you ask us for a copy of the assessment that the LCCC is not unsuitable for you, we must give it to you before entering into the contract (or increasing the credit limit). We can provide this to you electronically.

4.15 If, during the period that starts on the day the credit contract is entered or the credit limit is increased (the credit day) and ends 7 years after that day, you ask us for a copy of the assessment, we must give you a copy of the assessment:

a. if the request is made within 2 years of the credit day—before the end of 7 business days after the day we receive the request; and

b. otherwise—before the end of 21 business days after the day we receive the request.

Credit reports

4.16 We will make inquiries about your credit history.

4.17 If the value of the LCCC being entered into, combined with the value of other LCCCs you have with us that are open, is less than $2000 at the time the LCCC is entered into (or after the credit limit is increased), we will seek to obtain a negative credit check about you (or rely on one already obtained within the last 120 days) which includes:

a. identification information;

b. details of any information requests by other parties;

c. default information;

d. payment information;

e. personal insolvency information;

f. information covered by section 6N(k) of the *Privacy Act* (which relates to publicly available information about you, your activities in Australia or the external Territories, and your creditworthiness);

g. new arrangement information; and

h. court proceedings information.

4.18 If the value of the LCCC combined with the value of other LCCCs you have with us that are still in force is equal to or greater than $2000 at the time the LCCC is entered into (or after the credit limit is increased), we will seek to obtain a partial credit check about you (or rely on one already obtained within the last 120 days) which includes:

a. the information set out at clause 4.17(a) to (h); and

b. your consumer credit liability information within the meaning of the *Privacy Act.*

Information about your LCCC

4.19 We will ensure all communication regarding your LCCC terms and conditions, fees, and repayment obligations is clear and provided in plain language as much as possible. However there may be times where the law requires us to use particular words or communicate with you in a particular way. We will provide electronic disclosure of relevant documents so that you can easily access your credit agreements, repayment schedules, and any changes in our terms and conditions.

4.20 To help you stay in control and make informed decisions about your use of our LCCCs we will provide clear and timely information about our product fees and features, and your obligations including repayment terms and consequences of missed payments including:

a. your scheduled repayments obligations and the amount and frequency of your scheduled repayments; and

b. fees and charges that may apply, including any fixed fees, variable amounts or charges and how and when they would be charged. If fees depend on certain behaviours (like late payment), we will explain the conditions.

4.21 This information will be provided to you before you enter the LCCC.

4.22 We will send you relevant and useful reminders about your repayment obligations. For example, we may remind you before a payment is due to help you avoid missed payments. These communications will be reasonable in frequency and designed to assist you.

4.23 While you have an open LCCC, you will be able to access your account statement on our digital platforms (such as our app or website), including each purchase and the total outstanding balance of your purchases, next payment due dates, and any fees charged.

4.24 If you are unable to access your statement electronically via our digital platform, you can request this information from us, and we will direct you on how to find it or provide it to you within 14 days if the information relates to a period that is 1 year or less from the date of request, or within 30 days if the information relates to a period of more than 1 year from the date of request.

Fees and charges

4.25 We will ensure that total fees you pay (including late fees) do not exceed the caps set by law. Specifically, we will never charge more than the regulated maximum fee in any given period – currently, no more than $200 in fees (other than default fees) in the first year of a contract and $125 in any subsequent year, with total fees including default fees capped at $320 in the first year and $245 in later years.

4.26 We will give you at least 20 days' notice in writing before introducing new fees or increasing existing fees.

4.27 Our terms and conditions will explain the circumstances in which we can vary your contract and any notice period we must provide.

Missed payments

4.28 If you miss a payment, we will take reasonable steps to contact you via at least one channel such as email, SMS, or in-app notification before charging a late fee.

4.29 Where your LCCC is a BNPL arrangement, if you miss a payment or you miss more than one payment we may limit your ability to make further purchases or drawdowns until you meet your repayment obligations and your account is back in good standing. Our LCCC terms and conditions will say if our product has this feature and the circumstances in which we might limit the use of your account. We will also clearly tell you what you need to do to have your account re-instated (if we are willing to re-instate your account).

Minimum standards for merchants

4.30 We expect merchants with whom we have a direct relationship to meet minimum standards in connection with our LCCCs, including that they will:

a. act lawfully, fairly and ethically in their dealings with you;

b. communicate clearly when dealing with you and in marketing and advertising material that relates to LCCCs;

c. safeguard your confidentiality;

d. respond to complaints about their product or service on a timely basis;

e. require that their employees or agents understand the minimum standards and are trained to meet them; and

f. provide you with information that has been approved by us about our services, fees and charges in a format that is accessible to you.

4.31 We will have monitoring processes and policies in place for merchants with whom we have a direct relationship to ensure they meet these minimum standards on an ongoing basis.

4.32 Where your LCCC is a BNPL arrangement and is being used to finance home energy upgrades or improvements, such as solar panels, batteries or electric vehicle chargers under a government supported program, we will expect the vendors, sellers or distributors of these products with whom we have merchant agreements to be accredited as meeting the standards of conduct in the New Energy Tech Consumer Code.

Schedule 5: Insurance Premium Funding

Introduction

5.1 This Schedule applies to Insurance Premium Funding Products.

About Insurance Premium Funding Products

5.2 Insurance premium funding allows individuals or businesses to pay their insurance premiums in manageable monthly instalments instead of a lump sum.

5.3 Insurance premium funding is a finance arrangement where we pay the total annual premium of an insurance policy on your behalf. You then repay us in monthly instalments over a specified period, typically ranging from six to twelve months. This can relate to a single insurance premium or can allow for the consolidation of multiple insurance premiums into a single payment plan.

Obtaining an Insurance Premium Funding Product

5.4 We may allow you to apply for an Insurance Premium Funding Product in different ways, for example:

a. by applying to us directly (where we make this available to you);

b. by referral to us from another entity in our corporate group; or

c. being introduced to us by a finance or insurance broker or other adviser who is not part of our corporate group.

Terms and conditions for our Insurance Premium Funding Products

5.5 If you are proposing to obtain a contract for an Insurance Premium Funding Product with us, we will give you:

a. our terms and conditions;

b. a statement of our fees and charges; and

c. information pertaining to proposed remuneration to be paid to an Intermediary.

5.6 We will do this before a contract for an Insurance Premium Funding Product is made with us. This information may be provided in one or more separate documents.

5.7 The Insurance Premium Funding Product contract documentation will set out whether you can make an Early Repayment and the terms of that Early Repayment.

5.8 We will make sure any fees and charges payable to us because of the Insurance Premium Funding Product (such as Late Payment Fees or direct debit Dishonour Fees) are reasonable having regard to our costs.

5.9 We will regularly review the effectiveness of our disclosure of our fees and charges to you.

When we lend to you

5.10 When we lend to you, we:

a. expect you to provide honest and accurate information to us when applying for an Insurance Premium Funding Product or when applying to renew an existing Insurance Premium Funding Product;

b. will use a risk assessment process to assess whether the Insurance Premium Funding Product is suitable for your circumstances and meets your needs; and

c. will periodically review this risk assessment process and associated criteria for our Insurance Premium Funding Product.

Remuneration arrangements

5.11 We will offer only clear and transparent remuneration arrangements to our Representatives, Intermediaries or Intermediary Group (Broker Group) and/or Authorised Representative Network, and other third parties involved in the referral, marketing or distribution of our Insurance Premium Funding Product to you.

5.12 Where we pay Intermediary Remuneration in connection with an Insurance Premium Funding Product, before (or if this is not practicable, at the time) you enter into the Insurance Premium Funding Product contract, we will:

a. clearly tell you:

- the nature and type(s) of Intermediary Remuneration or other benefits that we are aware the Intermediary or Intermediary Group (Broker Group) and/or Authorised Representative Network is to receive in respect of, or that is attributable to, the service provided in relation to the Insurance Premium Funding Product that a reasonable person in the circumstances would consider could influence them in the provision of the service;
- when and how it is payable by us to them (e.g. if it is payable before or after acquiring the Insurance Premium Funding Product);
- such other information as required by law; and

b. answer any questions you have about the above.

5.13 Pursuant to clause 5.12, we will only pay:

a. a Commission to an Intermediary, and no other fees; or

b. a Service Fee to an Intermediary Group (Broker Group) and/or Authorised Representative Network, or licensee, except for where the licensee is an Intermediary.

5.14 We may pay an Intermediary Group (Broker Group) and/or Authorised Representative Network, or licensee a Commission instead of a Service Fee in limited circumstances, such as payment may be in addition to a Service Fee where there is a clear distinction in roles, or where additional services and value are provided, or where both the services of an Intermediary and/or an Intermediary Group (Broker Group) and/or Authorised Representative Network are offered.

5.15 Where we have entered into a Multi-year Agreement, it is expected these agreements contain termination clauses with a 60-day written notice period for termination by either party, unless the agreement requires a different notice period.

5.16 We will not pay any remuneration or benefit to an Intermediary and/or Intermediary Group (Broker Group) and/or Authorised Representative Network and/or Representative to the extent prohibited by law.

5.17 We will use best endeavours to require that our Representatives, Authorised Representative Network, Intermediaries and/or Intermediary Group (Broker Group) comply with relevant industry codes, particularly those aspects that relate to the management of conflicts of interest and the disclosure of remuneration or other benefits that the Intermediary and/or Representative is to receive in distributing the Insurance Premium Funding Product to you.

Information about our Insurance Premium Funding Product

5.18 On the first page of the agreement for the Insurance Premium Funding Product contract or the quote you accept, or on the digital screen we use to sell our product to you, we will clearly set out some key features of the proposed Insurance Premium Funding Product, including:

a. the term of the Insurance Premium Funding Product contract;

b. the loan amount;

c. the Total Cost of Credit, comprising the total of the interest expense, application fee, Intermediary Remuneration and any other fees;

d. the Total Repayment Amount, comprising the total of the loan amount and the Total Cost of Credit;

e. the Annual Percentage Rate (APR);

f. the Average Monthly Repayment;

g. any other information we think may assist you (including a Total Interest Percentage);

h. details of any security taken in consideration for the Insurance Premium Funding Product (if any); and

i. the steps that we could take if you default on a payment to us.

Explanation of the Annual Percentage Rate

5.19 We will provide you with information about the Annual Percentage Rate (APR) to accompany the disclosures in clause 5.18. This disclosure will be:

> The APR is the rate that is used to calculate the cost of the loan taking account of the reducing balance of the Loan Amount, expressed as an annual rate. For the purposes of calculating the APR, the cost of the loan is exclusive of fees.
>
> The APR is indicative and assumes the loan starts on the inception date of the insurance policy(ies) being funded. The Total Repayment Amount (including Application Fee) will not exceed the sum shown even though the APR will differ if the date of acceptance of the offer is later than the inception date of the insurance policy.
>
> The APR is not a term of the offer and is provided to allow a simple comparison of insurance premium funding products.

Notifying changes to your Insurance Premium Funding Product

5.20 Subject to clause 5.21, or unless a longer period is required by law, we will give you at least thirty days' prior notice before we change your Insurance Premium Funding Product. However, any agreed changes can commence from the time the change is agreed with you, or from a later agreed time.

5.21 We may give you a shorter notice period, or no notice, if:

a. any default is unable to be remedied;

b. it is reasonable for us to do so to manage a material and immediate risk relating to the nature of the relevant default, your particular circumstances, or the value of the security; or

c. we have already given you a period to remedy the default, and you have not remedied that default.

5.22 Any commitment we may make to notify you by electronic methods is subject to you keeping us informed of, as applicable, your current electronic contact information.

Copies of documents, statements and other information

5.23 We will, at your request, give you a copy of:

a. the Insurance Premium Funding Product contract (including the terms and conditions, and the standard fees);

b. a statement of your outstanding balance; and

c. any notice we previously gave to you which is relevant to us exercising our rights.

5.24 We will do this within ten Business Days of your request.

5.25 If, for some reason, we are unable to provide a document within these timeframes, we will advise you of this, together with the expected timeframe for providing the document.

5.26 Documents may be provided in electronic form, including in the form of a computer-generated record, or in any other form as mutually agreed.

Trained and competent representatives

5.27 We will make sure that our Representatives are well trained so that they can competently do their work and understand this Code and how to comply with this Code.

5.28 We will regularly review the effectiveness of our training programs for our Representatives. This includes:

a. having policies and procedures for our Representatives that require them to conduct their services appropriately;

b. only allow our Representatives to provide services that match their expertise;

c. require our Representatives to hold any licence the law requires;

d. require our Representatives, when they are providing a service to you, to tell you the service we have authorised them to provide and that they are acting on our behalf;

e. require our Representatives to first get our approval before subcontracting any services they perform on our behalf;

f. require our Representatives to tell us about any complaint received by them or breach of this Code by them when acting on our behalf, as soon as reasonably practicable but no later than two (2) Business Days;

g. require our Representatives to provide reasonable cooperation and make available to the CCC any information relevant to their and our compliance with the Code;

h. ensure records of our Representatives' training are kept for at least seven (7) years and make the records available for examination by the Code Compliance Committee on request

i. measure the effectiveness of our Representatives' training by appropriately monitoring their performance;

j. require additional or remedial training to address any identified deficiencies or improvements required in our Representatives' training and ongoing development; and

k. maintain and keep current a training and development plan for our Representatives that is appropriate for the services provided by them or to be provided by them in the future.

5.29 If we are aware that our Representative's performance does not meet the relevant standards of this Code, or you raise any concerns with us about the conduct of our Representatives, then we will address this. For example, we may terminate our contract with them, commence disciplinary action or require they undergo further training.

5.30 In respect of any Intermediary, Intermediary Group (Broker Group) and/or Authorised Representative Network we use, we will also ensure that:

a. we provide them with up-to-date information in relation to our products, services, policies and procedures;

b. they are kept informed of our hardship policies and processes;

c. they are aware of the need to tell us if a customer is at risk of or experiencing financial difficulties; and

d. they are aware they are to tell us about any complaint received by them in connection with our Insurance Premium Funding Product or service as soon as reasonably practicable but no later than two Business Days from the receipt of that complaint.

Definitions

The following are defined terms only for the purposes of this Schedule 5. If there is any inconsistency with AFIA Code Definitions, these definitions prevail in relation to Insurance Premium Funding Products.

Amount of Insurance Premium Funded means the amount of the loan that funds the Insurance Premium and may be less than the Loan Amount.

Annual Percentage Rate is the rate that can be used to calculate the cost of the loan taking account of the reducing balance of the Loan Amount, expressed as an annual rate. For the purposes of calculating the Annual Percentage Rate, the cost of the loan is exclusive of fees.

Average Monthly Payment is the Total Repayment Amount divided by the Term. The Average Monthly Payment amount does not include fees and other charges you can avoid, such as interest at a default interest rate on overdue amounts, Late Payment Fees and Dishonour Fees.

Commission is a payment made by a lender to an Intermediary in connection with an Insurance Premium Funding Product which may be a fixed percentage of the amount funded, and which is transparent and disclosable. A Commission will not be a variable percentage linked to increased volume. The Commission may be for the Intermediary's relevant transaction-related costs and/or quality assurance requirements (such as acting in the interests of the customer, improving business systems, undertaking training and maintaining adequate competency, improving quality and compliance of services, and maintaining adequate insurance) of which will be based on a calculation of genuine and relevant amounts.

Conflicted Remuneration means the following types of remuneration in connection with an Insurance Premium Funding Product:

Conflicted Remuneration	Definition
Access and Exclusive Arrangement	Payment of a calculated amount, provision of a Soft Dollar Benefit or a structural advantage that is put in place (for fees or without fees) which unfairly promotes or favours an entity and/or limits the business activities of others and/or restricts or prevents an entity dealing with others.

Advanced Remuneration	Remuneration that is paid in advance to the Intermediary prior to the Intermediary providing the service.
Profitability/Income Share Arrangements	Payment of a calculated amount of remuneration based on a profitability hurdle or income share. For the avoidance of doubt, this does not prevent an ownership structure, joint venture and/or capital arrangement and payment between entities where the arrangement does not result in an Access and Exclusive Arrangement and the nature and interest of the arrangement is disclosed to the market by us. However, any such funding arrangements should be on commercial and arms-length terms.
Soft Dollar Benefit	All non-monetary remuneration that is provided by a lender to an Intermediary, Intermediary Group (Broker Group) or Authorised Representative Network, or similar, that is attributable to the distribution, referral or marketing of an Insurance Premium Funding Product and that such non-monetary remuneration is not otherwise excluded by law. A soft dollar benefit (such as, entertainment or gifts) should be reasonable in the circumstances and/or comprise benefits of less than $300 or an alternative threshold permitted for any 12-month period, providing identical or similar benefits are not given on a frequent or regular basis, such as numerous smaller benefits. All parties should retain a register for giving and receiving soft dollar benefits over $300 or an alternative threshold as already contained in corporate policies (or multiple smaller amounts the sum of which is greater than $300 or the alternative threshold within a 12-month period). Discretion should be exercised consistently with corporate expense delegations with regards to entertainment (such as, lunch meetings).
Over-ride Intermediary Remuneration	Extra remuneration paid by a lender on top of Commission or Service Fees.
Volume-Based Incentive (VBI)	A volume-based incentive is one where access to the incentive, or the value of the incentive, is dependent on the total number or value of Insurance Premium Funding Products that are recommended by our Representatives, Intermediary, Intermediary Group (Broker Group) and/or Authorised Representative Network

Early Repayment means the early repayment of the loan amount, as well as the payment of all amounts that you are required to pay under the Insurance Premium Funding Product contract.

Fees means all fees payable, or that may become payable, by you to the lender under the Insurance Premium Funding Product contract.

Insurance Premium means the amount to be paid for a contract for insurance.

Intermediary means an AFSL holder or a corporate authorised representative of an AFSL holder involved in the execution of a transaction relating to the Insurance Premium Funding Product but excludes any Intermediary Group (Broker Group) and/or Authorised Representative Network. The meaning can also include licensees and insurance brokers.

Intermediary Group (Broker Group) and/or Authorised Representative Network means a parent company, with subsidiaries, members, affiliated companies, corporate authorised representatives, or a company which is an AFSL holder and is part of a larger multinational broker group, with proprietary systems or dedicated insurance premium funding teams to provide services to a lender.

Intermediary Remuneration means the commission payment made to an Intermediary in connection with the Insurance Premium Funding Product and which is related to the distribution, referral or marketing of the Insurance Premium Funding Product by that Intermediary. It also encompasses remuneration to a Representative.

Loan Amount is the total amount of the finance made available, or to be made available, under the Insurance Premium Funding Product contract.

Multi-year Agreement means an agreement between a lender and an Intermediary, an Intermediary Group (Broker Group) and/or Authorised Representative Network.

Representatives means our staff, agents and representatives.

Service Fee is a payment that relates to an exchange of value for agreed services between entities, such as a lender and an Intermediary Group (Broker Group) and/or Authorised Representative Network in connection with an insurance premium funding product. This payment may relate to the genuine reimbursement of relevant costs otherwise associated with the distribution, referral or marketing of the Insurance Premium Funding Product (such as administration, accounting, payments processing, data management, training, marketing, and information technology software or support).

A Service Fee should be a fixed amount and should not be adjusted to include any volume-based incentives (such as, an increasing percentage or additional dollar payment based on the number of Insurance Premium Funding Product contracts originated). A Service Fee should be paid on an agreed schedule (such as, monthly, quarterly or yearly) and in arrears. Where a Service Fee is paid, it must be commercial in nature. When a Service Fee is paid, it will be disclosed to the customer by us.

Total Cost of Credit is the total amount paid by a customer in Interest Expenses, Application Fees, Intermediary Remuneration and Other Fees for the Insurance Premium Funding Product. The amount does not include fees and other charges that are capable of being avoided, such as default interest charges arising from overdue amounts, Late Payment Fees and/or Dishonour Fees).

Total Interest Percentage is the Interest Expense expressed as a percentage of the Loan Amount (and may also be referred to as a ‘flat rate’ or ‘flat interest rate’).

Total Repayment Amount is the total amount that is to be paid to the lender, comprising the Loan Amount and the Total Cost of Credit.

Useful Resources

For industry

Department of Industry, Science and Resources

Australia's AI Ethics Principles

Voluntary AI Safety Standard

Australian Signals Directorate

Implementing Multi Factor Authentication

Australian Cyber Security Centre

Resources for business on cyber security

Australian Securities & Investments Commission (ASIC)

ASIC Regulatory Guide 209 Credit Licensing: Responsible Lending Conduct

ASIC Regulatory Guide 271: Internal Dispute Resolution

ASIC Regulatory Guide 277: Consumer Remediation

ASIC Regulatory Guide 96 Debt Collection Guideline: For collectors and creditors

e-Safety Commissioner

Safety by Design

Office of the Australian Information Commissioner

Privacy guidance for organisations

Australian Finance Industry Association (AFIA) – Member Portal (login required)

Privacy Toolkit

Cyber Toolkit

For customers

Australian Securities & Investments Commission (ASIC)

Moneysmart

Australian Finance Industry Association (AFIA)

Consumers in financial difficulty – where to get help?

Business customers – where to get help?

Australian Small Business and Family Enterprise Ombudsman (ASBFEO)

Resources and tools for small business

Mortgage & Finance Association of Australia

Factsheet: How mortgage brokers get paid