

FINANCIAL HARDSHIP POLICY FOR EXTERNAL USE

Policy statement

Ferratum Australia is a financial services business. We believe in keeping things fair.

We recognise that sometimes unforeseen events in your life may affect your ability to meet your repayment obligations. Ferratum has established a Financial Hardship policy to cover unforeseen circumstances or longer term situations that may impact our customers' current financial commitments.

Unforeseen circumstances may include sudden illness, loss of employment or any other reasonable cause, e.g. a death in a family.

This Financial Hardship Policy outlines the minimum standards we will adopt to:

- identify customers who are experiencing payment difficulties due to hardship.

General training in the Financial Hardship Policy is part of induction and ongoing training for all Ferratum Australia Pty Ltd staff. More detailed training is made available for people actively involved in managing the Policy.

The policy is freely available by contacting us directly by phone or email, or on our website.

If you are in a situation of genuine financial hardship and cannot pay your account, please contact us urgently on 1300 433 772 so that we can do our best to help you.

Definitions

For the purpose of this policy, we define financial hardship as:

- where you tell us you are experiencing difficulty in paying your account, or
- where your payment history suggests that you are having difficulties with payments, or
- where your financial counsellor or welfare agency (acting with your approval) tells us that you are having problems paying your account due to financial hardship.

Our customer values

We recognise that for a whole variety of reasons you might find yourself in times of genuine financial hardship and unable to pay your account.

Our hardship policy is in place to help and support you. We will try and find workable solutions to help you that are both fair, equitable, effective and lasting for both you and us.

Our approach

We have developed a Financial Hardship Program to ensure that our customers have access to the best possible support when faced with financial debt.

We have established a specialist team to manage obligations under this policy. Members of the team have been selected for their ability to provide the best possible customer experience through simple, friendly and professional service. They have been trained in identifying customers in potential financial hardship and how to help them most effectively while also achieving Ferratum Australia Pty Ltd's commercial objectives.

Part of the team's work is to establish and use processes to identify customers experiencing payment difficulties due to hardship. Their role includes making contact proactively with customers where indicators suggest that they may be experiencing financial hardship. They will have regard to customer's capacity to pay current and future debts as well as the amounts currently outstanding.

If you are our customer, our team is able to assess information about your payment history and, where appropriate offer you an instalment plan to help manage your debt. We can provide you with information about the full range of payment options which are available, and help you decide what option is best in your circumstance.

Our approach is to treat you with courtesy and respect. We understand that if you are faced with financial stress things need to be managed both with timeliness (to prevent further escalation of the situation) and with the utmost sensitivity.

We will ensure that you are fully informed of your rights and obligations under the terms of your contract, including your rights and obligations under this hardship policy, in relation to:

- additional time to pay;
- instalment plans;
- financial counselling;
- payment options such as direct debit

These are described in more detail below.

Once commitments are agreed, we will establish milestones and actively monitor performance to ensure everything remains on track. Where problems emerge, we contact customers promptly to resolve them. Depending on circumstances, if commitments are not being met, payment instalment plans may be revised, cancelled or escalated to a third party, at this point.

Application of our Financial Hardship Policy

We will ask you to demonstrate your willingness to participate with us in managing your financial debt.

You will be asked to agree to a payment instalment plan that offers temporary or ongoing relief, without accumulating more debt.

All our discussions will be in the strictest confidence.

While participating in the Financial Hardship Program you will not incur any additional late payment fees.

Our process

We have an even-handed equitable approach to assisting you if you experience financial hardship. We also recognise that your situation may well be different to others we have experienced.

Our team members have authority to take all circumstances into account when discussing options with you. We record the nature and subject matter of all calls, emails and other correspondence between us. This enables our team to have access to all relevant information when assisting you. Your privacy is protected at all times by our compliance with privacy legislation.

One of our team members is assigned to each customer under our financial hardship management program, and they report regularly about cases under their care. Detailed file notes are made of all contact and commitments to ensure that they are followed through and are available for review in the future. Team members have clear delegations of authority which enable them to agree with you on the spot in most cases about payment instalment plans and associated actions under this program.

Where we are unable to assist you further under the Financial Hardship program we will communicate this clearly. Circumstances where this may apply are detailed later in this policy.

When you enter the Financial Hardship developed under this policy we will review your existing contract and recommend the most appropriate payment arrangement to your circumstances, bearing in mind:

- cost effectiveness; and
- income, expenditure and any other relevant information.

There is no charge for this review and assistance under the Financial Hardship Program.

We will monitor payments closely to ensure that debt is reduced and does not accumulate further. We are happy to work closely with you to deal with underlying issues, and will be extremely satisfied if you are able to clear outstanding debts.

Our experience shows that some situations are short-term, and others longer-term. With the shorter-term situation we may be able to help you with a payment instalment plan. We will negotiate fair and reasonable payment levels and timeframes mutually acceptable to you and us.

With the longer-term situation we will work with you to provide a range of options that will provide a more sustainable approach.

In all cases, communication between us is critical. If you are suffering financial hardship which is affecting your ability to pay your account, it is very important you tell us as soon as possible. We can address it with you in a way best suited to your circumstances.

Some indicators of financial hardship

- you are not paying all or part of your Ferratum account on an ongoing basis;
- you have broken an agreed instalment plan;

- your independent financial counsellor or other welfare agency contacts us, with your authority and tells us that you are experiencing financial hardship and unable to pay your account;
- you advise us that you having problems paying your account.

Availability

Our Financial Hardship Policy is available to you at any time that you are experiencing temporary or more permanent financial hardship, resulting in non-payment of your Ferratum account. We will make every effort to assist you in such circumstances.

While you meet all your agreed commitments in managing your debt we will continue to apply this policy. If you fail to meet your commitments twice within 12 months, or fail to agree and fulfil revised arrangements, normal credit treatment may be commenced. Opportunities to re-enter the Financial Hardship Program will depend on the circumstances which led to previous failures.

If you have complaints or concerns about our actions under the program, such as your removal or exclusion from participating in the hardship program, you can raise the issue through Ferratum Australia's complaints process. Initial contact should be through our Customer Care line on 1300 433 772. We will deal with your complaints or concerns promptly and try and resolve them within 14 business days.

If the matter cannot be resolved within that timeframe we will advise you and agree on a new target date.

If you feel the matter has not been resolved adequately you are entitled to raise your complaint or concern through the Credit and Investments Ombudsman (www.cio.org.au)

Contact us early

Please contact us on 1300 433 772 before your next payment date if you cannot meet your obligation. All discussions are confidential.

Early alert to your potential hardship issues

We will monitor accounts which are overdue or late as part of our normal business management, which alerts us early to potential problems.

We welcome early approaches by customers experiencing financial hardship so that this policy can be implemented.

Additional time to pay

An extension of time to pay your account may be arranged, at our discretion, for some or all of the amount owed.

Instalment plans

We can provide you with the facility to pay amounts in arrears on an agreed instalment plan.

In agreeing to an instalment plan with you, we will agree the period of the plan, the amount of the instalments (reflecting your consumption needs and your capacity to pay), the number of instalments, details of the method of instalment calculation and the most appropriate payment method.

Payment options

We recommend the use of electronic payment options, which include: direct debit, direct deposit or credit / debit card payments via telephone.

Third party debt collection

We will attempt to make both written and verbal contact with you on at least three occasions if you do not pay your account.

We will genuinely encourage you, if you break a payment plan, to discuss another plan or utilise other resources to help you.

If you absolutely refuse to provide reasonable assurance of payment, or if you do so and then fail to follow another payment plan, we do have the ultimate legal right to transfer your account to a third party debt collection agency for further activity, and we would consider it only after we have exhausted all other reasonable avenues.

At all stages we will use our best endeavours to contact you to establish if your failure to pay your overdue account is due to genuine financial hardship.

Your privacy is protected

We will protect your privacy at all times in accordance with the Privacy Act 1988.

Review

This policy is reviewed annually.