



# Credit Guide

As at May 2020

## Introduction

BNK Banking Corporation Limited has an Australian Credit License authorising us to provide credit. This Credit Guide provides you with an understanding of what to expect from us when we provide credit to you. Please note that our subsidiary company Better Choice Home Loan Pty Ltd (ABN 79 095 728 868, Australian Credit License 378333) may end up processing and accepting your application for credit, and the subsequent management or review of the credit provided including further advances or variations to the loan. The Guide includes information about some of our obligations under the National Customer Credit Protection Act 2009 (the National Credit Act). You may also receive other documents when we provide services or credit to you.

## Borrowing money from us

BNK provides loans to its customers. Under the National Credit Act, we are prohibited from providing you with credit under a credit contract if the contract will be unsuitable for you. <sup>1</sup>

Furthermore, we are prohibited from increasing the limit of an existing credit contract if the new limit will be unsuitable for you. A credit contract or credit limit increase is unsuitable for you if, at the time the contract is entered or limit increased, it is likely that:

- you will be unable to comply with your financial obligations under the contract, or
- could only comply with substantial hardship at that time, or
- the contract or increase does not meet your requirements and objectives at that time.

For example, if you can only comply with your financial obligations under the contract by selling your principal place of residence, it is presumed that the loan will cause substantial hardship, unless the contrary is proved. For this reason, we must ask you to provide a significant amount of information. It is therefore very important that the information you provide to us is accurate.

## Our obligation to make a credit assessment

Before providing you with credit, we must make a preliminary assessment as to whether the contract or increase in limit will be unsuitable for you. In order to make this assessment, we must:

- make reasonable inquiries about your requirements and objectives in relation to the credit contract,
- make reasonable inquiries about your financial situation, and
- take reasonable steps to verify your financial situation.

Obtaining this information helps us get a reasonable understanding of your need for credit as well as your ability to meet all the repayments, fees, charges and transactions associated with the proposed credit contract. The extent of the inquiries we undertake will depend on the circumstances.

## Your right to receive a copy of the credit assessment

You can request a written copy of our assessment of your suitability. We will give you a copy:

- before entering the credit contract or before the credit limit is increased, if you make the request before then;
- within 7 business days if your request is made within 2 years of entering into the contract or the credit limit increase; or
- within 21 business days if your request is made between 2 and 7 years of entering into the contract or the credit limit increase.
- Note - you are only entitled to receive a copy of your assessment if:
- you enter into a credit contract or the credit limit is increased, and
- your credit contract (loan or credit limit increase) was entered into within the last 7 years.

## Dispute Resolution - Please talk to us first

We aim to resolve your complaint at your first point of contact with us, so we encourage you to raise your complaint through any of the following channels:

Telephone: 1300 BNK BANK

BNK has an internal dispute resolution (IDR) process and is also a member of an independent external dispute resolution scheme. The dispute resolution system covers complaints by persons to whom we provide credit.

To use our internal dispute resolution procedure you should address a letter detailing the dispute to:

The Dispute Resolutions Officer:

PO BOX 7030, Cloisters Square, Perth WA 6850.

In many cases, this leads to a successful resolution. However, if you are unhappy with any decision or our handling of the complaint, the complaint may be referred for external dispute resolution (EDR) to the Australian Financial Complaints Authority (AFCA) who can be contacted at: 1800 931 678, [info@afca.org](mailto:info@afca.org) or via post at: GPO Box 3, Melbourne VIC 3001.

The AFCA can then offer conciliation processes or it may investigate the dispute and issue a written decision on your case which is binding on us. This service is available at no cost to you. Our external dispute resolution scheme cannot deal with your dispute unless you have attempted to resolve the problem with us first.