

## Vulnerable Customer Guidelines - Introducers

These Vulnerable Customer Guidelines for Introducers (**Introducer Guidelines**) have been developed to assist Pepper Money Accredited Introducers, Brokers and Financial Advisers in Australia and New Zealand (**Introducers**) identify Pepper Money consumer and commercial customers experiencing vulnerability and who may be in need of extra help and support.

### Background

These Guidelines are to assist Introducers to be aware of and identify potential vulnerability indicators when discussing a Pepper Money loan product with a borrower and/or guarantor.

It is important to recognise that vulnerability can occur to anyone at any time and can be temporary or permanent. Many people in vulnerable situations don't see themselves as vulnerable and some people can have multiple vulnerabilities.

Where customer vulnerability is present, the risk is that a borrower/guarantor may enter into a loan:

- which doesn't meet their requirements and objectives;
- where they don't understand what they are entering into,
- that they are unaware has been taken out in their name;
- they are coerced or pressured into signing; and/or
- where they receive no or insignificant benefit from the loan.

It is important that all Pepper Money customers (including customers experiencing vulnerable situations) are treated with sensitivity, compassion and respect whilst ensuring that customer privacy is safeguarded at all times.

### Support Services

There are a number of expert free support services that you can connect your customers with in Australia and New Zealand. These include:

#### In Australia:

##### Financial hardship

- **National Debt Helpline** provides independent, free and confidential advice from professional financial counsellors on how to manage your debts. Call 1800 007 007 9.30 am – 4.30 pm Monday – Friday.
- **Way Forward** helps people facing long-term financial manage their debts and debt negotiation. Call 1300 045 502

## Domestic and family violence

- **1800RESPECT** provides 24-hour access to telephone or online counselling, information on safety planning, and tips on how to support someone who is experiencing domestic and family violence. Call 1800 737 732.
- **Good Shepherd** provides free, confidential, ongoing support for people who have experienced financial abuse to feel more confident with money and plan for the future. Call 1300 050 150

## Mental health

- **Lifeline** provides Australians experiencing a personal crisis with 24-hour crisis support and suicide-prevention services. Call 13 11 14.
- **Beyond Blue** helps people facing long-term financial manage their debts and debt negotiation. Call 1300 045 502

## In New Zealand:

- **Family Violence Information Line** is part of the 'It's Not Ok' campaign to reduce Family harm in New Zealand <https://mentalhealth.org.nz/links/link/family-violence-information-line>. The Helpline provides information and support to anyone concerned for themselves or for someone else experience Family Harm. Call 0800 456 450 9 am – 11 pm 7 days a week (with emergency after-hours redirection)
- **Shine** <https://2shine.org.nz> provides information and support for callers who are worried about their own situation or who are worried about someone else who might be living with family or domestic abuse. Call 0508 744 633 9 am – 11 pm 7 days a week
- **MoneyTalks** <https://www.moneytalks.co.nz> provides a free financial helpline for advice and support from trained financial mentors. Call 0800 345 123 8 am – 8 pm Monday – Friday. 10 am – 2 pm Saturday.
- **Citizens Advice Bureau** provides free advice and information about your rights and access to services you may need. Call 0800 367 222.

## Protecting the confidentiality and privacy of customers

Protecting the personal information of customers is a priority for Pepper Money as well as our Introducers.

This is especially important in situations where there may be indicators that a customer is experiencing vulnerable circumstances.

Introducers should ensure that personal information that may put a customer at risk is not disclosed to other borrower(s) or unauthorised third parties (e.g. address or contact details);

**Disclosure of personal information can place a vulnerable customer in physical danger or exacerbate an existing threat to them or other family members such as children.**

## Customer vulnerability indicators

The following indicators have been documented to assist Pepper Money Introducers identify potential customer vulnerability especially in relation to elder, domestic, family and financial abuse.

As each customer's situation will be unique, these indicators are not exhaustive and have been provided to help Pepper Money Introducers identify and raise any potential vulnerability to Pepper Money.

Indicators to identify potential customer vulnerability include (but are not limited to):
<p>Loans that do not seem to be in the interests of, or provide substantial benefit to the customer. For example, customer is agreeing to offer additional security to other co-borrower(s) or take on additional liabilities where there is no apparent benefit to them for doing so.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>○ borrower takes out a loan in sole name to purchase a motorcycle, however, the borrower does not have a motorcycle licence;</li> <li>○ Wife is a co-borrower with husband providing property in her sole name as security for loan to payout husband's business debts;</li> <li>○ Brother is a co-borrower with sister and providing home in his sole name as additional security to assist with purchase of a house for his sister.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is agreeing to offer additional security to other co-borrower(s) or take on additional liabilities when there is no apparent benefit to them from doing so. For example: <ul style="list-style-type: none"> <li>○ providing property in their sole name to provide funds for co-borrower's business debts.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Customer is accompanied by a family member or other person who seems to coerce/influence them to enter into the transaction.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is seen or heard to be taking instructions from another party.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer appears fearful (particularly of the other borrower), unfocused or withdrawn.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is not physically present during the loan application, instead the co-borrower(s) or third party(ies) handle the matter.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer expresses concern about their privacy and disclosure of information to a co-borrower.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is agreeing to take on liability or provide security for an ex-partner.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is not allowed to speak for themselves, or the other party does all the talking (particularly in combination with points above).</li> </ul>
<ul style="list-style-type: none"> <li>• Loan application is signed by the customer and the rest of the application is filled out in different handwriting and the application is presented by the other borrower.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer does not understand or is unaware of recent transactions on an account, or loans or guarantees in their name.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer gives implausible explanations about or appears confused or reluctant to talk about what the funds will be used for.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer is concerned about missing funds or loan documentation no longer being received or delivered to their home address (e.g. loan account statements)</li> </ul>
<ul style="list-style-type: none"> <li>• Customer mentions that an intervention order (or equivalent) is, or has recently been taken out/put in place.</li> </ul>

<ul style="list-style-type: none"> <li>• Customer does not seem to understand the loan contract, or its effect on their account or financial position.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer does not seem to understand what is being discussed or its effect on their financial position. Despite explanation, appears to remain confused.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer advises of, or bank statements/information provided, indicate serious illness.</li> </ul>
<ul style="list-style-type: none"> <li>• Customer has little or no understanding of English. For example, relies on a family member/friend to translate discussions about loan.</li> </ul>
<b>For mortgage loan applicants:</b> <ul style="list-style-type: none"> <li>• Joint loans where borrower is over 60 and co-borrower is not the borrower's spouse;</li> <li>• Borrower is over 70.</li> </ul>

## Information to assist with identifying domestic, family, elder or financial abuse

Domestic, family, elder or financial abuse includes (but not limited to) behaviour by one person towards a current or former family member that may be:

- Physically or sexually abusive;
- Emotionally or psychologically abusive;
- Economically abusive (limiting access to money or impacting overall financial wellbeing);
- Threatening or coercive;
- Manipulative in relation to financial decision making;
- Misusing or controlling a person's money, property or assets without the person's knowledge or consent
- Controlling or dominating a person in any other way, causing that family member to fear for their safety or wellbeing, or that of a family member or another person.

People who are dependent on family members and other people for their day-to-day care may be particularly vulnerable to financial abuse.

Financial abuse can take many forms and usually consists of purposeful actions over a period of time, rather than a single event.

A 'financial abuser' can be someone your customer hardly knows or someone they have known all their life. They could be family members, friends, acquaintances, a neighbour or strangers. They may also be professionals or caregivers employed to help out.

## What is substantial benefit?

Borrowers obtain a substantial benefit when:

- all borrowers acquire a reasonably proportionate legal or equitable interest in assets purchased with the loan funds; or
- a reasonable portion of the loan funds are used to repay debts, or other obligations owed by all borrowers.

Examples of when a customer is unlikely to obtain a substantial benefit include:

- borrower provides their property as security for a joint loan with their partner to pay out their partner's tax debts;
- borrower takes out a loan in sole name to purchase a motorcycle, however, invoice is in the name of partner only;
- joint loan taken out by brother and sister to purchase a property with the brother acquiring a much smaller interest in the property than their sister.

## What if customer vulnerability is identified?

If potential customer vulnerability indicators are identified by an Introducer when discussing or submitting a Pepper Money loan application or a Pepper Money existing customer lets you know that they are experiencing vulnerable circumstances and need help with their finances, please contact:

**For Pepper Money applications:**

- Your Business Development Manager or Pepper Money contact person.

**For settled Pepper Money loans:**

- in Australia: 1800 185 914 (Monday – Friday 8.30 a.m. – 5.30 p.m. AEST) or email [assist@pepper.com.au](mailto:assist@pepper.com.au)
- In New Zealand: 0800 347 257 (Monday – Friday 8.30 a.m. – 5.30 p.m or email [customerassist@peppermoney.co.nz](mailto:customerassist@peppermoney.co.nz).

It is important to ensure that customers are treated with sensitivity, compassion and respect while ensuring that privacy is safeguarded.

## Events resulting in customers having difficulty making repayments

Existing customers may advise Introducers of events that have occurred which can impact their ability to make repayments on their loan on a temporary or longer-term basis. For example:

- Sudden loss of income or substantial reduction in income (e.g. as a result of redundancy).
- Natural disaster or emergency events causing significant damage or loss of life (e.g. fire, flood, bushfire).
- Medical conditions or health related issues of the borrower, their dependents or another family member.
- Death in the family temporarily affecting capacity to pay.
- Gambling or other behavioural addictions affecting capacity to pay.

If an existing customer makes you aware that they are having difficulty making repayments, our specialised team are available:

- in Australia: 1800 185 914 (Monday – Friday 8.30 a.m. – 5.30 p.m. AEST) or email [assist@pepper.com.au](mailto:assist@pepper.com.au)
- In New Zealand: 0800 347 257 (Monday – Friday 8.30 a.m. – 5.30 p.m. or email [customerassist@peppermoney.co.nz](mailto:customerassist@peppermoney.co.nz)