

THE BETTER BANKING BOOK.

CommonwealthBank



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This booklet is issued in accordance with the Code of Banking Practice to explain to our personal and small business[#] customers some important aspects of their relationship with us. The updated Code came into effect on 01 February 2014. Copies may be obtained from any branch or by phoning **13 2221** or viewed on our Internet site at **commbank.com.au**

The information in this booklet on any of the topics covered should not be regarded as a full statement of the law and practice in relation to that topic.

If you have any questions about anything in this booklet or would like to know more, please contact us on **13 2221** 24 hours, 7 days a week.

Hearing or speech impaired customers

The National Relay service is available 24 hours, 7 days a week.

Telephone Typewriter (TTY) service users can be connected to any of our telephone numbers via **133 677**.

Speak and Listen (speech-to-speech relay) users can also connect to any of our telephone numbers by calling **1300 555 727**. The National Relay Service also provides an Internet relay service where speech or hearing impaired users can be connected to our telephone numbers online.

small business means a business having:

(a) less than 100 full time (or equivalent) people if the business is or includes the manufacture of goods; or

(b) in any other case, less than 20 full time (or equivalent) people,

unless the banking service is provided for use in connection with a business that does not meet the elements in (a) or (b) above.

The banker and customer relationship: rights and obligations.

We aim to provide all Australians with a range of accessible and fairly priced products coupled with a high standard of customer service and ethical behaviour. We also contribute to the community by supporting a variety of causes both financially and through the efforts of our staff. However, you should bear in mind that we are a business and, like other businesses, we need to make a profit for our shareholders. We conduct our business in a way that balances the responsibilities we have to our customers, our employees and our shareholders.

We believe that our products and services are competitive and represent fair value to our customers. However, you need to determine the most suitable mix of products and services to meet your needs for functionality and price#. You must make your own enquiries having regard to your particular circumstances. We will assist you with any inquiry you may have by providing you with information to help you make informed decisions.

Contractual relationship

(Note that the following is general information only, and it does not set out all of the rights and obligations of the banker customer relationship).

Your contract with the bank will govern your relationship. As well as the express written terms, there may be implied terms relating to ordinary banking matters. The type of banking service is also relevant. For example, it is a debtor and creditor relationship with a loan or deposit account. For a deposit account, the bank owes you the balance of your account and for a loan account you owe the bank.

The exceptions are where you tell us you are a low income earner or a disadvantaged person, or we become aware through dealing personally with you that you are in receipt of Centrelink or similar benefits. In these cases, and also where you request information on account suitability, we have a duty to provide you with details of accounts that may be suitable to your needs.

The banker and customer relationship: rights and obligations.

Your contract will usually start when your account is opened. It may be earlier, for example, when your bank first becomes bound to provide banking services to you.

In the case of joint accounts, your bank owes its duties to the account holders jointly and severally. That is, the duties are owed to the account holders together and also to each account holder separately. If one joint account holder dies, the account balance is usually owed to the others.

You can authorise others to operate your account if your bank agrees, such as an additional cardholder. However, you will usually remain responsible for their activities. Joint account holders can also agree with their bank to authorise one or more of them to operate the account independently.

Your relationship with the bank will automatically stop in some cases. For example, if you close your account(s), you become bankrupt, or you die. If your bank wants to end your relationship, usually it must give you reasonable notice. However, sometimes no notice is required (such as where an overdraft must be immediately repaid).

Sources of regulation

As well as your contract, legislation and industry codes of practice may impose additional rights and obligations. Key sources of regulation which might apply include:

- **Code of Banking Practice**
A voluntary code of conduct which sets standards of good banking practice for banks to follow when dealing with individuals and small businesses.
- **ePayments Code**
A voluntary code which applies to certain accounts and electronic transactions carried out by individuals. It replaced the Electronic Funds Transfer Code of Conduct.
- **Privacy Act**
Comprehensive legislation governing activities such as the collection, use and disclosure of personal information, including information relating to your credit worthiness or credit history.
- **National Credit Code**
Commonwealth legislation that regulates the provision of credit to individuals for consumer purposes. From 1 July 2010, the National Consumer Credit Protection Act came into effect. Consumer loans provided on or after this date are regulated by the Act.
- **Corporations Act**
Legislation which, among other things, regulates a wide range of activities relating to the provision of financial products as well as the provision of advice about financial products.
- **Australian Securities and Investments Commission Act**
Legislation which, among other things, prohibits misleading and deceptive conduct and unconscionable conduct in relation to financial services provided to certain customers.

- **Cheques Act**
Deals with matters such as payment and collection of cheques as well as fraud and other unauthorised transactions.
- **Anti-Money Laundering and Counter-Terrorism Financing Act**
Legislation which, among other things, requires customers to be identified and their transactions monitored to assist in the prevention and detection of money laundering and terrorism financing activities in Australia.

General obligations

There are general obligations applying to you and your bank.

Duties of your bank include:

- **Opening accounts**
Your bank owes a duty of care in opening accounts to make proper enquiries. It is required by anti-money laundering and counter-terrorism legislation to adequately identify you.
- **Duty of secrecy**
Your bank has a duty of secrecy with respect to transactions on your account. However, this duty is not absolute and there are some qualifications. For example, your bank may disclose information where you have expressly or impliedly consented. This duty continues even after you have ended your relationship with the bank.

- **Safe custody**
Subject to any legal requirement to the contrary (e.g. a court order), if your bank accepts your items for safe custody, it owes a duty to return them to you at the end of the safe custody period.

Your duties include:

- **Providing clear instructions**
Your instructions on payment of funds must be clear.
- **Minimising the risk of forgery**
You must exercise reasonable care in making out cheques so that the bank is not misled and forgery is not facilitated. You must notify your bank immediately of any forgeries (including unauthorised transactions on your account) known to you. You generally do not have a duty to inspect statements to discover forgeries, although you should read your account statements and notify your bank of any entries which you believe are unauthorised.
- **Take care of methods of accessing your account**
If you are given a cheque book, you must take care of it. If your bank allows you to access your account electronically, you will have specific obligations relating to the security of any equipment (for example, a card, mobile phone or PayTag), or security codes such as your Personal Identification Number (PIN).

How we handle your customer information.

“Customer information” is information about a person whose information we collect and hold for our purposes. It includes personal information such as your name, age, gender, contact details, as well as your health and financial information. We will act to protect your customer information in accordance with the Australian Privacy Principles or an industry privacy code.

The Commonwealth Bank of Australia ABN 48 123 123 124 is part of the Commonwealth Bank Group. The Group is a collection of related organisations that provide banking, insurance, funds management, financial planning and advice, superannuation, stockbroking, and finance services.

We value your trust, and aim to help you manage and build wealth over a long period. The protection of your customer information is a vital part of this relationship. It is supported by our long experience of keeping customer information confidential.

We collect customer information to provide you with the products and services you request as well as information on other products and services offered by us. The law may also require us to collect customer information. We will advise you of our contact details, your right of access to the information, and what will happen if you choose not to provide the information.

Customer information may be used and disclosed within the Group to administer our products and services, as well as for prudential and risk management purposes and, unless you tell us otherwise, to provide you with marketing information on the Group’s products and services*. We also use the information we hold to help detect and prevent illegal activity. We co-operate with police and other enforcement bodies as required or allowed by law.

We disclose relevant customer information to external organisations that help us provide services. These organisations are bound by confidentiality arrangements. They may include overseas organisations.

You can (subject to certain permitted exceptions) seek access to the personal information we hold about you. If the information we hold about you is inaccurate, incomplete, or outdated, please inform us so that we can correct it. If we deny access to your personal information, we will let you know why. For example, we may give an explanation of a commercially sensitive decision, rather than direct access to evaluative information connected with it.

* Information collected by Colonial First State will not be used by other Group members for marketing purposes.

Further information and feedback

More detailed information about our privacy and information handling practices can be found in our Privacy Policy Statement. Copies can be obtained from the address below, or from our website at **commbank.com.au**

If you have any questions or would like further information on our privacy and information handling practices, please contact us by:

- website at **commbank.com.au/contactus/comment.asp**
- telephone on **1800 805 605***, or
- writing to the address below:
Privacy Officer
Customer Relations
Commonwealth Bank Group
Reply Paid 41
Sydney NSW 2001

General duty of confidentiality

In addition to our duties under the Privacy Act, we have a general duty of confidentiality to you, except in the following circumstances:

- where we are required to disclose information by law; for example, under Taxation Acts and the Anti-Money Laundering and Counter-Terrorism Financing Act;
- where there is a duty to the public to disclose; for example, disclosure to authorities might be warranted in cases of serious wrongdoing;
- where our interests require disclosure; for example, to a court if we are defending or conducting legal action involving a customer. This exception does not, as it is sometimes thought, allow us to disclose information for any purpose we choose; or
- where the disclosure is made with your express or implied consent.

* A free call unless made from a mobile phone, which will be charged at the applicable mobile rate.

Steps to opening a new account.

Apart from your personal details, every time you open a new account or establish a safe custody facility, you need to tell us:

- the name you wish the account to be in;
- whether the funds in the account are to be held in trust;
- the name and address of all people who can operate on the account (operatives) in addition to yourself; and
- the names you and any other operative are commonly known by.

As well as obtaining these details, we need to verify your identity and the identity of all those people able to operate on the account. This applies whether the account is in your name only or is a joint account (for information on joint accounts, see pages 6 and 7).

How you can prove your identity

Under anti-money laundering and counter-terrorism financing legislation we must identify you by being provided with documentation (either certified copies or originals) that evidences your identity.

We will only accept certain forms of photographic and non-photographic identification.

Providing a passport, drivers licence or proof of age card alone will be sufficient.

However, we will need two types of non-photographic forms of identification such as a birth certificate, citizenship certificate, utilities notice, pensioners card, taxation notice or security guard identification card.

Quoting your Tax File Number: it's your choice

The Commonwealth income tax legislation sets rules for banks about their customers' tax file numbers when they conduct interest earning accounts.

Under the legislation, you can decide whether or not to tell us your tax file number.

If you choose not to tell us your tax file number, we must by law deduct from any interest we pay you, and send to the Australian Taxation Office, an amount of tax calculated at the top marginal rate.

Once you tell us your tax file number, we are required by law to pass it on to the Australian Taxation Office. We will not give your tax file number to anyone else.

There are some exemptions to the tax file number rules. For more information please contact the Australian Taxation Office.

Know the rules on joint accounts

An account conducted in more than one name is called a joint account. This is often an efficient and convenient way to organise the joint banking for more than one person.

However, before you open an account with another person, such as your spouse or another member of your family or your partner, you should be aware of the legal implications.

How joint deposit accounts operate

Most deposit accounts can be held in your name alone or jointly with someone else.

If you have a joint deposit account with another person or persons, it may be operated in different ways to suit your

requirements. You and your joint account owner(s) may provide special authorities to us to allow either sole (i.e. by one account owner alone) or joint operation. Access to joint accounts via electronic equipment (for example, via electronic terminal) may be restricted on accounts that require joint operation.

If you and the other account owner(s) give us an authority for 'either to operate' or 'any one to operate' on the account, any one of you can withdraw money from the account, and even close it. Also any one of you can stop the authority, in which event all of you will be required to authorise withdrawals. All of you must notify us in writing if you wish to change the account authority.

The authority ends as soon as we receive notice of the death or bankruptcy of a joint account owner. Upon the death of one of you, the survivor or survivors can continue to operate the account unless there was, prior to the death, an agreement with us to the contrary. If any of you is declared bankrupt, the directions of the Trustee in Bankruptcy must be obtained as well as of the other joint account owner(s).

Other conditions apply when a joint account is operated on by the use of a device (for example, a plastic card). Before applying to have your device linked to a joint deposit account, you should read our *Electronic Banking Terms and Conditions*.

Liability for joint loan accounts

If you enter a loan as a joint borrower you become jointly and severally liable for the loan. This means that we are entitled to seek from you alone the total amount owing for all of the joint borrowing.

You need to carefully consider and understand this responsibility before you commit yourself to any joint borrowings or sign any loan documents as a joint borrower. Our loan documentation will also provide you with warnings about knowing exactly what your responsibilities are under any loan contract before you sign it.

We will not accept you as a joint borrower if it is clear, on the facts known to us, that you will not receive any benefit from the loan.

If you are or become a joint borrower you have the right to terminate your liability in respect of *future* borrowing by giving us written notice. However, you are only able to do so if we can terminate any obligation we have to provide further credit to any other joint borrower in that loan. Any such termination in relation to *future* borrowing does not affect your liability for credit already provided.

Fees and charges

You will note that throughout this booklet we make reference to fees being payable for certain services. You can find out more about fees and charges in the Bank's booklet 'Common Banking Services Standard Fees and Charges'.

Make sure you read the terms and conditions.

We offer a wide range of banking services to our customers. When you intend to obtain a banking service from us, you should read the terms and conditions for the service before you sign the contract.

You will then know what to expect from us and what we expect from you before becoming bound by the contract. You can ask us questions about any of the terms and conditions you do not understand, and so avoid misunderstandings during the course of the contract.

Additional or subsidiary cards.

Credit cards

Credit cards are issued in the name of one person only. If you want another person to operate on your credit card account, you can apply for an additional card. However, as the principal cardholder, you are responsible for the additional cardholder's use of the card. We charge to your card account the amounts of any transactions the additional cardholder makes using the additional card you have asked for. You are responsible for paying all these amounts as if you had used your own card to make the transactions.

If you or an additional cardholder asks us, we will remove the additional cardholder from your account. You may do this either by attending a branch or by phoning us on **13 2221**.

While we use reasonable efforts to process your request promptly, you should be aware that the removal of an additional cardholder from your card account may not take full effect immediately. If there is a risk of the additional cardholder completing unauthorised transactions you must advise us when you submit your request and ask for an immediate stop to be put on your account. You will continue to be liable for any of the following transactions made by an additional cardholder:

- transactions made before we process the stop request;
- transactions to purchase goods and services at a price below a merchant's authorised floor limit, or where no authorisation is required, until you have taken all reasonable steps to have the additional card/s destroyed.

Debit cards

If you want another person to operate on your debit card account, you can apply to us for access methods (such as a card) and a Personal Identification Number (PIN), to be issued to that other person. However, as the accountholder, you are responsible for that other person's use of the access methods. We charge to your account the amounts of any transactions that other person makes using the access methods you have asked for. You are responsible for paying all these amounts as if you had used your own access methods to make the transactions.

You must ask us in writing if you wish to cancel a card issued to another person.

You may also ask us, either by attending a branch or by phoning **13 2221**, to place a stop on your account, in which case you, any other accountholder and the other person, cannot make any more transactions on the account until you request the Bank (either by attending a branch or by phoning **13 2221**) to remove the stop. Alternatively, you can ask us to stop the other person's card.

However, you should be aware that neither the cancellation of a card nor the stop on your account or the other person's card will take full effect immediately. You will continue to be liable for all transactions made before we process the stop request, as well as transactions made using a card at a time when any of our electronic transaction systems are unavailable.

This will be the case until the later of the date you request us to cancel the additional card, or when you have taken all reasonable steps to have the additional card returned to us.

Safeguard the 'keys' to your account.

You must do everything you reasonably can to make sure your payment instruments (cheque forms, passbooks, devices such as debit or credit cards, mobile phones, PayTags and codes) are not misused or lost or stolen. They are the 'keys' to your account.

It is important that you tell us as soon as you become aware that a payment instrument has been lost or stolen. The same applies for any of your banking codes that have become known to someone else, for example your Personal Identification Number (PIN).

If you utilise electronic banking, you should know that the ePayments Code provides that you will be liable (within certain limits) for the unauthorised transactions that occur on your account where it can be shown that there was an unreasonable delay in notifying us of the misuse, loss or theft of a device, or a security breach of your codes. For greater detail, please refer to our Electronic Banking Terms and Conditions and Credit Card Conditions of Use. Outside of electronic banking, you may also become liable for losses if you delay in informing us of the misuse, loss or theft of a cheque form or a passbook.

Even if you are confident that the payment instruments are secure, you must tell us as soon as you become aware of the loss or theft of a payment instrument or of any unauthorised access to your account(s).

You can notify us of the misuse, loss or theft of your payment instruments by:

- telephoning us on **13 2221**; or
- calling into or telephoning any branch during bank hours.

If you are overseas and your debit or credit card is misused, lost or stolen, please call the Help Desk on **+61 2 9999 3283*** (reversed charges accepted).

* To use this reverse charges number please contact the international operator in the country you are in and request to be put through to +61 2 9999 3283. We have no control over any charges applied by the local or international telephone company for contacting the operator.

How to use your cheque account.

A cheque is a written direction from one person (the drawer) to a bank to pay a specified sum of money to another person (the payee).

Why cheque clearance takes time

A cheque can be dishonoured (i.e. not paid) by a bank because of an irregularity (see page 12 which explains when a cheque is 'irregular'), or because there is not enough money in the drawer's account to cover it, or because payment has been stopped. Other reasons for cheques not being paid include the death, bankruptcy or mental incapacity of the drawer, or a court order to the bank not to pay.

Because of this, proceeds of cheques and other payment instruments, whilst credited to your account, are subject to clearance. Cheque clearance is a term used to describe the process of presenting cheques for payment to the branch of the bank on which they are drawn.

Generally, cheques will be cleared in about three days, although it may take longer to clear individual cheques. If we allow you to access the proceeds before clearance is effected, you must repay that money if the cheque or payment instrument is dishonoured.

Special clearance speeds the process

This is a service we offer to speed-up the process of clearing a cheque. It is useful if you need to draw against the funds urgently or you are concerned about whether the cheque will be paid.

If you require a special clearance, please inform the teller when you are depositing the cheque to your account. We will arrange to have the cheque presented to the bank on which it is drawn as quickly as possible and let you know by telephone whether or not it has been paid.

A fee is charged for this service. You may also be charged for the cost of engaging a courier.

Cross your cheques for safety

A crossing is two parallel lines drawn vertically on a cheque with or without the words 'not negotiable' or 'account payee only' between them. The crossing acts as an instruction to bankers to accept the cheque only into a bank account and not to cash it.

The inclusion of the words 'not negotiable' in the crossing helps protect the true owner of the cheque if it is lost or stolen. Anyone who accepts a lost or stolen 'not negotiable' cheque has no better right or title to the cheque than the finder or the thief, and may be liable to refund the amount of the cheque to the true owner, even if he or she has given the finder or thief value for the cheque and is innocent of any wrong-doing.

The words 'account payee only' in the crossing serve as a warning to a bank not to accept deposit of the cheque except to the account of the named payee. Banks will not ordinarily accept such a cheque if it has been signed on the back by the payee and given to another person to be paid into that other person's bank account.

How to use your cheque account.

An 'open' cheque is one that is not crossed. It allows a bank to pay the money to whoever presents it, even if that person found or stole it, unless the bank is put on notice that the cheque might have fallen into the wrong hands. Accordingly, if you are writing a cheque, it is a good idea to cross it unless you propose to present it to the bank for cashing.

The words 'or bearer'

Sometimes the drawer of the cheque deletes the words 'or bearer' that usually follow the space for the payee's name, or substitutes the words 'or order.' In doing so, the drawer is directing the bank to pay the amount of the cheque only to the payee or in accordance with the written endorsement (i.e. signed direction) of the payee. If the cheque has not already been endorsed, the bank will normally obtain the payee's endorsement (signature) on the cheque.

Stopping payment of a cheque

The drawer of a cheque may ask his or her bank to stop payment on it. The bank is required to act on these instructions provided the cheque has not already been paid.

If you want to stop payment on a cheque you should immediately telephone us on **13 2221** 24 hours, 7 days a week or call into a branch. We will need to know the cheque number. A stop payment fee may apply.

Look for cheque irregularities

As mentioned earlier, cheques can be dishonoured (not paid) because they are

irregular in some way. The more common irregularities are:

- the cheque has not been signed by the drawer;
- the cheque has not been signed in accordance with the authority held by the drawer's bank;
- there has been a material alteration (e.g. an alteration to the amount) that shows no evidence of having been authorised by the drawer;
- the cheque appears to be more than 15 months old when it is presented, i.e. it is a stale cheque; and
- the cheque bears a date that is in the future. This is known as a post-dated cheque and it cannot be paid until that date arrives.

Before you accept a cheque from someone, we suggest you look for any obvious irregularities.

How to make out a cheque

If you have a cheque account, following these simple rules will help ensure that your cheques are paid and that the risk of fraud is reduced:

- make sure that you have sufficient cleared funds in your cheque account to cover the amount of the cheque that you are writing. (Unless you have made prior arrangements with us, a cheque that is not covered by funds in your account may be dishonoured and you will be charged a fee);
- write only on the forms provided by the bank;

- write only in pen; never use a pencil or ink that can be rubbed out;
 - complete each cheque carefully and fully;
 - never sign blank cheques;
 - date each cheque you have signed;
 - always cross your cheques with two parallel lines, unless you want cash;
 - write legibly and ensure the amounts in words and figures agree;
 - if you make a minor mistake, initial next to the correction. If you make a major mistake, destroy the cheque and write another;
 - make sure there are no spaces left before or after the amount (both the written amount and the figure). Legally you have a duty to take care when you
- are completing a cheque. If you fill out a cheque in a way that allows fraudulent alteration, you may have to pay in accordance with the alteration;
 - sign each cheque on the line provided under the account name;
 - keep a record of the transaction and check it against your statement when received. Notify us immediately of any discrepancy;
 - keep your cheques in a safe place at all times. If your cheques are stolen or lost, contact us immediately;
 - keep your cheques separate from your plastic cards or any other record of your signature.

Example of a correctly completed cheque

Payee

Leave no gaps

Write today's date

Commonwealth Bank
Commonwealth Bank of Australia

Date 14 March, 2002 Date 14 March, 2002

To XYZ Plumbing 48 MARTIN PL NSW

For Repairs Balance Bt Fd 694 13

Deposited 694 13 Pay XYZ Plumbing Or Bearer \$ 71

Misc. Dr or Cr 71 00 The sum of seventy one dollars only

Total 623 13 D R CUSTOMER

This Cheque 71 00 D. Customer

Balance \$ 623 13

001122 #001122# 068888# 12345678#

Keep a record and check against your statement

Drawer

Cheque number

Bank/branch number

Account number

Crossing

Bank cheques.

A bank cheque is a cheque that is drawn by a bank rather than by a customer.

Bank cheques are often used to pay for large and important purchases such as a home, investment property or a car; based on the popular belief that they are more or less the equivalent of cash. Although bank cheques are more widely accepted than personal cheques, they are not the same as cash.

Bank cheques can be dishonoured if there are sufficient grounds, which include the following:

- the bank cheque is a forgery;
- the bank cheque has been materially altered;
- the bank cheque has been lost or stolen;
- a court order prevents a bank from paying the cheque; and
- the bank has not received consideration for the issue of the cheque and the person seeking clearance either knows this or did not themselves give value in return for the cheque.

For a small issuing charge you can purchase a bank cheque from us.

Direct Debits.

Many organisations offer payment by Direct Debit – they are known as Direct Debit Users. If you would like to pay a bill by Direct Debit, you can check the payment options on your bill, or ask the organisation which issued the bill to send you a Direct Debit Request form. Direct Debits cannot be made from Credit Card Accounts.

How do I authorise a Direct Debit?

All you need to do is complete and sign a Direct Debit Request form, and return it to the Direct Debit User. A Direct Debit Request is also known as a 'DDR'. Each time you complete and sign a Direct Debit Request you should receive a copy of the DDR Service Agreement for your records.

The DDR Service Agreement

The DDR Service Agreement contains important information about the debit arrangements in place with each Direct Debit User. It sets out for you:

- the terms of the debit arrangement between you and the Direct Debit User, including (if applicable) the basis on which the Direct Debit User will issue you billing advices or statements;
- the minimum period of notice required for the Direct Debit User to inform you of changes to the terms of the debit arrangements. This notice period cannot be less than 14 days; and
- the procedures available to you to: request deferment or alteration of future debits, stop or cancel the DDR, and dispute previous Direct Debits from your bank account.

If you have misplaced your DDR Service agreement, you can contact the Direct Debit User to ask them to send you a new copy.

What are my responsibilities for Direct Debit?

You should ensure that you always have sufficient funds in your account before the day the payment is due. If you are unable to have sufficient funds in your account before the debit is due to be processed, you should contact the Direct Debit User to ask to defer the payment until you will have funds available. If there are insufficient funds in your account when a debit is processed, fees may be charged, and the debit may also be dishonoured.

What if I have a question about my Direct Debit arrangements?

For details such as when debits will be processed, how much will be debited from your account, etc. contact the Direct Debit User. Some details of transactions processed to your Commonwealth Bank account will appear on your bank account statement or passbook.

Fees and charges

In many cases, transaction fees may be charged when a Direct Debit is made from your account. There are also fees and interest charges which may apply if your account is overdrawn by a Direct Debit.

What if I want to cancel a Direct Debit Request?

We can help you by taking a request to cancel the DDR and forwarding it to the Direct Debit User on your behalf. We can also stop payments to the Direct Debit User, which

Direct Debits.

will prevent all debits for that Direct Debit User from being paid from your account.

Asking us to cancel the DDR

If you ask us to cancel a DDR, we will take the details and send your request to the Direct Debit User via their bank. If you do this you should allow sufficient time for the cancellation to take effect. In the mean time, we can stop payment by placing a block on your account to stop all payments to that Direct Debit User.

Instructing us to 'stop payment'

We can record a stop payment instruction for the account you have nominated. You will need to tell us the relevant account number, and the details of the Direct Debit User concerned. If you ask us to stop payments to a Direct Debit User, all debits for that Direct Debit User will be returned unpaid until further notice. If after talking to the Direct Debit User you wish to continue to pay them by Direct Debit, you will need to instruct us to remove the stop payment instruction from your account so future debits will be paid.

If you have multiple Direct Debits for a single Direct Debit User, you should not ask us to stop payments to the Direct Debit User unless you want all payments to be stopped.

What should I do if I believe money has been taken incorrectly from my account by Direct Debit?

We can help you to dispute a debit. We will ask you to provide full details of your claim, including:

- the account number from which you believe money was taken without authority;

- the date(s) and amount(s) of disputed debits;
- your contact details, so we can contact you about your claim; and
- any other information which is relevant to your claim.

If you have previously given the Direct Debit User a DDR and later cancelled it, or the DDR has expired, please provide full details of when you believe the DDR was cancelled or expired including evidence if available.

You can ask us to dispute a debit on your behalf by visiting any Commonwealth Bank branch.

We will forward your claim to the Direct Debit User via their bank, and ask them to respond within 7 business days (or if your claim relates to a debit which occurred more than 12 months ago, to respond within one month). They may respond by agreeing to your claim and refunding the money, or they may dispute the claim.

What if the Direct Debit User disputes your claim that a debit was unauthorised?

If the Direct Debit User disputes your claim, they will need to provide evidence of their authority to debit money from your account. If you still believe the debit was unauthorised after the Direct Debit User has provided evidence of their authority to debit funds from your account, we may ask you to provide more information in support of your claim. Any subsequent claim should be resolved with the Direct Debit User within one month.

When we may combine your accounts.

The common law gives us a right of account combination. We may also include a contractual right of combination or set-off in our terms and conditions. We may exercise either right in relation to your accounts even if they are kept at different branches. We normally do this when one of the accounts is overdrawn or has a debit balance. The consequence of your accounts being combined will be that, in effect, one balance remains. If that is a debit balance, you will remain liable to us for that amount.

You should note however, that, unless we have a written agreement with you to do so, we are not required to combine your accounts for the purpose of meeting a cheque you have written that would overdraw your cheque account or exceed any agreed overdraft limit.

Generally, we may not exercise our common law right of combination in cases where:

- the accounts are not held by you in the same capacity (for example, if one is your own account and the other is an account which, although in your name, you hold as trustee for another person); or
- we are actively considering your financial situation under any hardship provisions or while you are complying with an agreed repayment arrangement. We may, however, require you to retain funds in an account until our decision on your hardship application has been made; or

- there is an implied or written agreement between us to keep the accounts separate. There can be an implied agreement if, for example, you have either a business cheque account or an on demand account which may be in credit and a personal loan account or a credit card account. The nature of those accounts is quite different, so the law requires that, in the ordinary course, we must keep them separate. An implied agreement not to combine accounts will terminate, however, if your personal loan or credit card account is in default and we become entitled to exercise our rights of recovery. An implied agreement will also terminate if you die or become legally incompetent or are declared bankrupt. In any of these cases, we may then combine the balance of your credit card account or personal loan account with your cheque or on demand account which is in credit.

Depending on its terms, a written agreement may also terminate in the circumstances described.

In accordance with the Code of Banking Practice, we will notify you promptly if we combine your accounts. We need not give you notice in advance. In exercising a right to combine accounts, we will comply with any applicable requirements for the Code of Operation for Centrelink Direct Credit Payments.

Giving a guarantee.

We strongly recommend that you obtain independent legal and financial advice before you agree to guarantee the obligations of another person or a business.

If you do provide a guarantee and the borrowers do not meet their obligations, the Bank can look to you to make good the amount which you have agreed to guarantee. If you provide security to support the guarantee (e.g. by mortgaging your house), the Bank can sell that security. If any shortfall remains after that, you will still be liable for the shortfall.

Many people think that giving a guarantee is just a formality or they feel obligated to 'help out' a friend, relative or business partner. You need to understand that giving a guarantee involves significant financial risk for you and should not be undertaken without careful thought.

Before we accept a guarantee from you we will give you a range of information to help you make an informed decision. This will include a notice that:

- you should seek independent legal and financial advice on the effect of the guarantee;
- you can refuse to enter into the guarantee;
- there are financial risks for you;
- you have a right to limit your liability in certain circumstances; and
- you can ask us to give you information about the transaction or facility to be guaranteed. (We also give you certain information whether you ask for it or not.)

Entering into a guarantee involves a host of rights and obligations that are too numerous and complex to be discussed in this booklet. That is another reason why you should obtain independent advice.

Guidelines for parties involved in Family Law property proceedings.

These guidelines are for the assistance of parties, their legal practitioners and representatives involved with family law property proceedings including: agreements for division of matrimonial property, the division of joint property that is subject to a mortgage to us, and division of other joint and several liabilities owed to us. They are intended to be for general information and guidance, and are not a substitute for legal or financial advice. If you are contemplating or are involved in family law proceedings or a family law agreement you should seek specialist legal and financial advice.

A person's liability to us can be either as a borrower or as a guarantor of another person's borrowing from us. In these guidelines, a reference to a liability to us includes both borrowing and guarantee liabilities.

Under the Family Law Amendment Act 2003 the Family Court can make orders and issue injunctions that affect the rights, liabilities or property interests of third parties who are not parties to the marriage. The court has a wide discretion but can only make orders that are reasonably 'necessary or appropriate' to result in a division of property between the parties to the marriage and it must not be foreseeable that a debt will not be fully repaid. The orders must be 'just and equitable' or 'proper' and take into account taxation and social security effects, the third party's administrative costs, the capacity to repay without undue hardship and anything else the court considers relevant.

Where the bankruptcy of a party to a marriage occurs *after* separation, that person's trustee in bankruptcy may apply, under the Bankruptcy and Family Law Legislation Amendment Act 2005, to become a party to the Family Law proceedings, even if final property orders under the Family Law Act have been made. If those orders have been made, but not *fully* implemented, the trustee can still apply to have the Family Law proceedings reheard. The trustee's involvement would be 'for the benefit of *creditors* generally'. On the other hand, a non-bankrupt party may, in the Family Court proceedings, claim a share (for his or her own benefit) in the bankrupt's *undistributed* property.

Guidelines

- 1) We are not bound by Family Court orders or injunctions directed to individuals, or by privately negotiated agreements, and cannot be compelled to permit the transfer of property that is mortgaged to us or the re-allocation between the parties of debts owed to us (either secured or unsecured) unless:
 - expressly ordered by the Family Court; or
 - we are parties to the privately negotiated agreement; or
 - we consent to the privately negotiated agreement.

Guidelines for parties involved in Family Law property proceedings.

- 2) Where we are satisfied about the ability of the transferee of property or the party who has assumed liability for joint debts owed to us to fulfill the financial commitment to us by himself or herself without undue hardship, we will try to accommodate the new arrangements.
- 3) We might either agree to the transfer of the property and the mortgage and release the other party from further liability or retain our rights under the personal covenants in the mortgage against that other party.
- 4) In the majority of cases we would be reluctant to release joint debtors from their joint obligation to us where the debt is an unsecured liability.
- 5) Where a transfer of property subject to a mortgage to us is contemplated, applicants need to keep in mind the following points:
 - a) Allow sufficient time for us to make an assessment of the proposal; it is advisable to get in touch with us as soon as the likelihood of a settlement or court order altering the interests of the parties in mortgaged property arises.
 - b) Don't enter into the agreement or seek the court order until you know that we will agree to the transfer.
 - c) We need to make a fresh assessment of the transferee's capacity to service the mortgage debt as this, in effect, is a new loan application.
 - d) Where the court intends making an order requiring one of the parties ("A") to pay a lump sum or an amount by instalments in settlement of the other party's ("B") interest in property, if A is to borrow that amount we will take that amount into account when assessing A's ability to service the existing loan facility. Depending on A's financial circumstances, we might not be satisfied that the existing facility together with the new obligation to B can be serviced by A without undue hardship.
 - e) Full financial particulars including the terms of the proposed agreement need to be provided to us.
 - f) If there are continuing credit facilities such as overdrafts on joint (and several) accounts that are secured by the mortgage, we may have to stop further drawings on the accounts until the matter is resolved or unless both parties expressly agree to further drawings.
 - g) We are not able to divulge information about one of the parties to the other party or to their practitioners or representatives without that party's consent.
 - h) If there are other co-owners their consent will be required to any dealing with the property.

- i) If other persons have guaranteed the parties' obligations to us, the consent of those guarantors might be needed before any re-arrangement of the facility.
 - j) There may be bank and other fees and costs payable for obtaining our consent to a dealing and in connection with the dealing itself.
 - k) Each application for our consent will be assessed on a case-by-case basis.
- 6) Where unsecured joint and several liabilities of the parties or a liability of one of the parties is proposed to be assumed by one of the parties, either in whole or part, an application for consent to recognise the change in liability should be made. The points in 5 a) to k) above should be observed. Contact should be made with us, to ascertain our likely attitude to releasing one of the parties, as soon as possible after it becomes apparent that an agreement or court order is likely to provide for a re-allocation of liabilities.
- 7) If the court grants one party the sole right to reside in a property, to the exclusion of the other party, our consent should be sought beforehand. Our rights against the other party under the mortgage over the property would be preserved unless we agree to release the other party from the mortgage.
- 8) If we decline a transfer or to release a party from further liability we will, unless prevented by a court order or injunction, be entitled to enforce any existing liability, if that becomes necessary.

If you are in financial difficulty.

At CommBank, our customers' needs and wellbeing are the focus of everything we do. We understand that unexpected events can happen, and you may find yourself experiencing difficulty in meeting repayments to your home loan, personal loan, credit card or overdraft account.

Our team can support you during these times by working with you to find the right financial solutions to get you on track. If you discuss any difficulty with us early, you will probably worry less. As well, a simple remedy is more likely to be available if you come to us as soon as you realise you have a problem.

Our team considers every request for assistance on an individual basis. If you are having difficulty making a repayment, we will work with you to find a solution tailored to your circumstances.

Our aim is to support financial rehabilitation and long-term affordability for our customers. Most often our customers simply need temporary assistance, including a review of their financial commitments, to get them through difficult times.

If you are in financial difficulty:

- For temporary assistance with your repayments, such as flexibility with instalments due or an appropriate extension of time to pay, call the **Collections and Credit Solutions** team for support on **13 30 95**.
- In the event you need medium-term or ongoing financial assistance, our **Customer Assist Team** can support you and can be contacted on **1300 720 814**.
- You may want to contact us directly or appoint a third party nominated representative or advocate, such as a financial counsellor. Call **Financial Counselling Australia** on **1800 007 007**.
- To review any insurance policies you have with CommInsure to see if you have financial cover, call **CommInsure** on **13 24 20**.

What to do if you have a complaint.

If you have a complaint about the Commonwealth Bank we want to know. So please tell us if you have a complaint and we promise to do something about it – and get back to you. To register a complaint please follow these steps:

1. Gather all supporting documents about your complaint, think about the questions you want answered and decide what you want us to do.
2. Visit your local branch or call **13 2221** 24 hours, 7 days a week. Our staff will either deal with the matter personally or refer the matter to the appropriate person. A quick chat is all that is required to resolve most complaints.

If the matter is not resolved to your satisfaction or if you would prefer to put your complaint in writing, you can either email us on:

customerrelations@cba.com.au

or you can write to:

**Customer Relations
Commonwealth Bank Group
Reply Paid 41
Sydney NSW 2001**

Free call **1800 805 605***

Free fax **1800 028 542**

We aim to resolve most issues within four working days. However, some matters are more complex and can take a little longer to resolve. If that is the case, we'll keep you informed of our progress. The Code of Banking Practice and the ePayments Code set strict parameters around complaint and dispute resolution times, and the Bank is a signatory to both Codes.

3. If you are not satisfied with our proposed resolution or the extended time for resolution of your complaint, you can also contact the Financial Ombudsman Service.

The Financial Ombudsman Service dispute resolution process is impartial, independent, and free for bank customers. Before the Ombudsman can investigate a matter, you must first have given us the opportunity to review it.

You can contact the Ombudsman by writing to:

**Financial Ombudsman Service
GPO Box 3
Melbourne Victoria 3001**

Tel: **1300 780 808**

Fax: **03 9613 6399**

Website: **www.fos.org.au**

* A free call unless made from a mobile phone, which will be charged at the applicable mobile rate.

13 2221

24 hours, 7 days a week

commbank.com.au

Commonwealth Bank of Australia
ABN 48 123 123 124
Australian credit licence 234945

