COMMBANK PERSONAL OVERDRAFT TERMS AND CONDITIONS.

1 March 2017

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Where to find out more

Visit **commbank.com.au/personaloverdraft** for more information about our Personal Overdrafts, including information on our current interest rates and fees.

For general information about our banking services, see *The Better Banking Book*, available on our website or at any branch. This includes information about how we keep your information confidential and what to do if you get into financial difficulty.

TERMS AND CONDITIONS

1. Understanding your contract

Please read these Terms and Conditions, and the Schedule that includes your Overdraft details. Together, they make up your contract and include the information we must give you. Special conditions in the Schedule govern over the Terms and Conditions.

Your Overdraft is a credit facility. Linked to your agreed transaction account, it lets you draw money from that account past your own available funds up to an agreed limit (your credit limit). It can help when you are short of funds, for example when a direct debit such as a phone bill comes in but there isn't enough money in your transaction account to pay for it.

As transactions you make using your Overdraft are processed through your transaction account, your *Transaction, Savings and Investment Accounts Terms and Conditions* also apply. This document is available at **commbank.com.au** or from your local CommBank branch. It tells you what fees may be charged, as well as things like:

- How to access and deposit money.
- What happens if there is a problem on your account, such as an unauthorised transaction.

2. Using and managing your Overdraft

2.1. Using your Overdraft

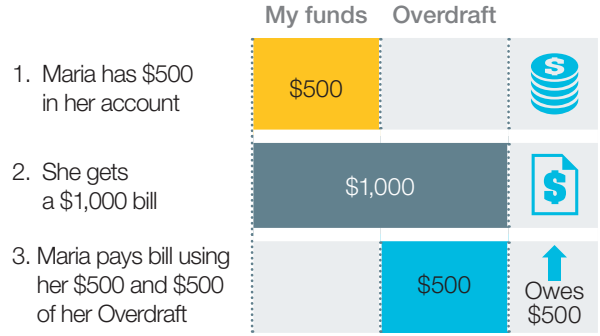
You can use your Overdraft to transact on your transaction account past your own available funds. You'll then owe us any amounts we lend in this way, as well as interest, fees and any other amounts provided for in your contract. You'll need to pay us back the Overdraft balance (see 2.3 and 4.1).

You can access money from your Overdraft the same way you can access your own funds in your transaction account.

You can only use your Overdraft for personal, domestic or household purposes. Overdrafts cannot be used for investment or business purposes or by non-personal entities (for example, a trustee or company).

How it works

Maria has an Overdraft limit of $500.



2.2. How much can you access?

- You can use your Overdraft to access funds up to your credit limit (your initial limit is shown in your Schedule).
- Keep in mind that fees and interest are charged (debited) on the first day of each month. If you're using your Overdraft and there isn't enough limit left to pay these, you'll exceed your credit limit (see 2.4).

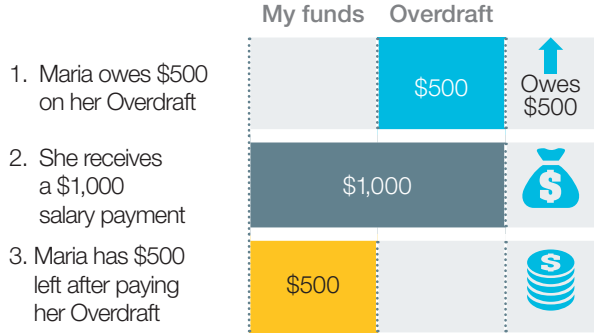
2.3. How you pay us back

You repay your Overdraft by putting money into your transaction account. This is automatically used to repay your Overdraft – you don't need to transfer money from your transaction account to your Overdraft.

There is no set minimum amount to pay back each month. However, paying your Overdraft back as quickly as you can will minimise fees and interest.

How it works

Maria has an Overdraft limit of $500.



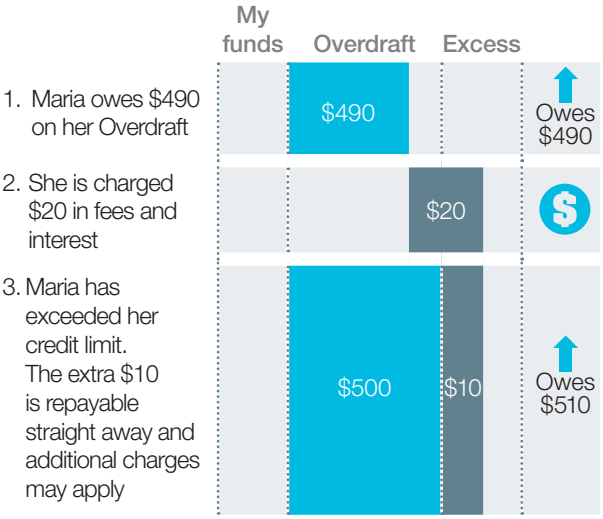
2.4. Exceeding your Overdraft credit limit

There may be times when you have no available funds or Overdraft credit limit left. When this happens, there may be situations where you exceed your credit limit (for example, because we charge interest or fees to your transaction account but you may have already reached your limit). If this happens, that excess is not lent under this Overdraft, but instead, your transaction account will be considered overdrawn. You'll need to pay us back the excess straight away and additional fees and interest may apply – see your *Transaction, Savings and Investment Accounts Terms and Conditions*.

Money you put in your transaction account is used to pay off any of these excess amounts before being used to pay off your Overdraft.

How it works

Maria has an Overdraft limit of $500.



2.5. Your account statements

We give you a combined statement for your transaction account and Overdraft every three months, except where the law considers this unnecessary. You can also ask us to send you statements more frequently.

We send you statements by post, unless you have agreed to receive them electronically via NetBank. Fees for paper statements may apply. Check your *Transaction, Savings and Investment Accounts Terms and Conditions*.

2.6. Changing your credit limit or cancelling your Overdraft

- You can reduce your credit limit, provided your Overdraft balance is lower than the limit requested.
- To cancel your Overdraft, you must have no outstanding Overdraft balance.
- You can also apply to increase your Overdraft credit limit.

3. Fees and interest

3.1. Fees that apply

We charge a fee for a month if you owe money on your Overdraft at any point in the month. The fee is set out in your Schedule and is charged to your transaction account on the first calendar day of the following month and on the day your linked transaction account is closed.

3.2. Interest on your Overdraft

You must pay us interest on your Overdraft balance.

We determine the annual interest rate by starting with a base rate (the reference rate) and adding or subtracting any premium or discount (the margin). The reference rate, and your margin and initial interest rate, are set out in your Schedule. We can change the reference rate and your margin (see 5.2).

Interest is calculated daily on your Overdraft balance using the daily percentage rate (the annual interest rate divided by 365).

We charge each month's interest to your transaction account on the first calendar day of the following month. We also debit interest on the day your Overdraft is closed.

3.3. Additional fees and interest that may apply

Under your transaction account additional fees and interest may apply including:

- Fees when you transact using your Overdraft.
- Fees and interest if you exceed your Overdraft credit limit (see 2.4).

See your *Transaction, Savings and Investment Accounts Terms and Conditions.*

4. Things we can do

4.1. When we may require you to pay back your Overdraft

We can require you to repay the entire balance of your Overdraft or any part of it on demand. Where practical, we will give you advance notice.

4.2. When we can suspend, reduce or cancel your credit limit or decline a transaction

- If you are in default (see 4.3).
- To manage risk or our legal or regulatory requirements.
- As part of our right to make changes to your contract (see 5.2).

Where we reduce or cancel your credit limit, we'll notify you as soon as practicable (no notice is required if you are in default). If we reduce your limit, we may require you to reduce your Overdraft balance to that limit. If we cancel your limit, we may require you to reduce the balance to zero.

4.3. What happens if you are in default

You're in default if you don't adhere to these Terms and Conditions, for example the repayment requirement in 4.1.

If you are in default, we may send you a notice requiring you to fix the default within the statement time (at least 30 days).

What happens next?

If …	Then we may …
• You don't fix the default or the default can't be fixed within the time stated. ***OR*** • We don't have to or have been unsuccessful contacting you to give you notice.	• Decide, without further notice, that the entire outstanding Overdraft balance is due and payable immediately. • Take legal action to recover amounts you owe us. • Combine any money you have on deposit with us (for example, in another transaction account) with your Overdraft provided we satisfy any common law requirements.

We'll debit to your transaction account any expenses we reasonably incur in enforcing these rights and they'll be payable from that date.

If we take legal action and obtain a judgement against must pay interest on the judgment amount at the rate set out in the court order or the interest rate under this contract, whichever is higher. Interest is otherwise calculated and charged as set out in 3.2.

If you are a joint borrower, we may enforce these rights against any borrower.

5. What you can expect from us

5.1. We follow industry codes of practice

The *Code of Banking Practice* is the banking industry's benchmark for best practice banking standards. It applies to your Overdraft. When you carry out an electronic transaction (for example, a purchase transaction or transaction using online, mobile or telephone banking), we comply with the *ePayments* Code.

5.2. Changes to your contract

We can change your interest rate and fees, reduce or cancel your credit limit or change any other term of your contract.

We'll act reasonably when exercising these rights and only do so for legitimate business purposes.

How we tell you about the changes

Change	Minimum notice period	Notice method
Credit limit		
Reducing, suspending or cancelling your credit limit	As soon as practicable (no notice is required if you are in default)	In writing
Interest rate		
Changes to our reference rate	By the day of the change	In writing or by advertising in a newspaper
Fees		
Introducing a new fee, or changing the amount or frequency of a fee	20 days' notice	In writing or by advertising in a newspaper
Other changes		
Other changes, including changing your repayments	20 days' notice	In writing

Things you should know

- Where we reduce your obligations or extend the time for payment, we give you notice by the day of the change.
- Where we notify by advertising, we confirm the change in your next statement.
- Where we reduce the reference rate, no notice or confirmation is required.

6. Meaning of words used in this document

Term	Meaning
Month	A calendar month.
Overdraft	The credit facility we provide to you under this contract.
Overdraft balance	The amount by which your transaction account balance is below zero, but no more than your Overdraft limit.
Schedule	The Consumer Credit Contract Schedule we give you that sets out key details of your Overdraft.
Terms and Conditions	This document other than sections 7 and 8.
Transaction account	The bank account that your Overdraft is linked to.
We and us	Commonwealth Bank of Australia (ABN 48 123 123 124, Australian credit licence 234945) and any party to whom we assign our rights under this contract.
You and your	The person or persons named in the Schedule as the Borrower. If there is more than one person, 'you' means each person separately and any two or more jointly. This means, for example, that we may ask any one of you to pay the full amount owing under the contract. 'You' includes anyone else who may become responsible for your Overdraft (for example, an executor).

OTHER IMPORTANT INFORMATION

7. Credit guide

This credit guide gives you information about Commonwealth Bank of Australia, Australian credit licence 234945 and our responsible lending obligations.

We will not make an unsuitable contract with you

We will not enter into a contract, or increase your credit limit, if it would be unsuitable for you. A contract or increase is unsuitable if you won't be able to comply with your financial obligations under it without suffering substantial hardship, or if it does not meet your requirements and objectives. We must make reasonable enquiries about your financial situation, requirements and objectives, and take reasonable steps to verify your financial situation.

We will provide a copy of our assessment if you ask

We must make an assessment that the credit contract or increase in credit limit is not unsuitable before we enter into the contract with you or agree to increase your limit.

If you ask us we will give you a copy of the assessment before entering into the contract or increasing your limit, or within seven years of that time.

If you have a dispute over your credit contract

You should first discuss the matter with us to see whether we can satisfactorily resolve it by contacting us.

- Phone our Customer Complaints team on **1800 805 605** or, if you're overseas, calling +**61 2 9687 0756**.
- Complete the online feedback form at **commbank.com.au/feedback**
- Write to us at: Customer Relations, Commonwealth Bank Group, GPO Box 41, Sydney, NSW, 2001.
- Call into one of our branches.

If we are unable to resolve the dispute to your satisfaction, you may apply to the Financial Ombudsman Service Limited (FOS), an impartial, independent and free external dispute resolution scheme to resolve disputes.

Before FOS can investigate the matter, you must have first given us the opportunity to review it. The contact details for FOS are: Financial Ombudsman Service, GPO Box 3, Melbourne Victoria 3001; Tel: **1800 367 287**; Fax: 03 9613 6399; Web: **fos.org.au**

8. Information statement

Things you should know about your proposed credit contract

We are your credit provider and we are required to give you this prescribed statement. This statement tells you about some of the rights and obligations of yourself and us under the National Credit Code. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact us and, if you still have concerns, contact our external dispute resolution scheme, or get legal advice.

The Contract

1. How can I get details of my proposed credit contract?

Your proposed credit contract is made up of the Terms and Conditions, together with your Schedule.

2. How can I get a copy of the contract if I lose this one?

You can keep the Terms and Conditions and your copy of the Schedule. If you want a copy at any time, write to us and ask for one. We may charge you a fee.

We will give you a copy:

- within 14 days of your written request if the original contract came into existence one year or less before your request; or
- Otherwise, within 30 days of your written request.

3. Can I cancel my Overdraft before I use it?

Yes, you can ask us to cancel your Overdraft as long as you have not obtained any credit under the contract.

4. Can I pay my credit contract out?

Yes. Pay us the amount required to pay out your credit contract on the day you wish to end your contract. You'll need to request closure of the Overdraft.

OTHER IMPORTANT INFORMATION

5. Will I pay less interest if I pay out my Overdraft balance early?

Yes. The interest you can be charged depends on the actual time money is owing.

6. Can my contract be changed?

Yes, see Section 5 of the Terms and Conditions.

7. Will we tell you in advance if we are going to make a change in the contract?

That depends on the type of change. For example:

- You get at least same day notice for a change to an annual percentage rate. You get 20 days' advance notice for a change in credit fees and charges. These notices may be a written notice to you or a notice published in a newspaper.
- You get 20 days' advance written notice for:
  - A change in the way in which interest is calculated.
  - Any other changes by us, except where the change reduces what you have to pay or the change happens automatically under the contract.

For further details, see Section 5 of the Terms and Conditions.

8. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to us to see if we can come to some arrangement. If we can't, you may contact our external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints.

Our external dispute resolution provider is the Financial Ombudsman Service, which can be contacted at **1800 367 287**, **fos.org.au** or GPO Box 3, Melbourne VIC 3001.

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid. You can also contact ASIC, the regulator, for information on **1800 367 287** or through ASIC's website at **asic.gov.au**

General

9. What do I do if I cannot make a payment?

Get in touch with us immediately to discuss the matter and see if we can come to some arrangement. You can ask us to change your contract in a number of ways. For example, to:

- Reduce the amount of your repayments, or
- Defer your repayments for a specified period.

10. What if we cannot agree on a suitable arrangement?

If we refuse your request to change the repayments, you can ask us to review our decision. If we still refuse your request, you can contact the external dispute resolution scheme: see question 12.

11. Can you take action against me?

Yes, if you are in default under your contract. But we can't unduly harass or threaten you for repayments. If you think we are doing this, contact our external dispute resolution scheme or ASIC, or get legal advice.

12. Do I have any other rights and obligations?

Yes. The law gives you other rights and obligations. YOU SHOULD READ YOUR CONTRACT CAREFULLY. If you have any complaints about your contract, or want more information, contact us. You must attempt to resolve your complaint with us before contacting our external dispute resolution scheme.

IF YOU HAVE A COMPLAINT THAT REMAINS UNRESOLVED AFTER SPEAKING TO US, YOU CAN CONTACT OUR EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE. EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. OUR EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE FINANCIAL OMBUDSMAN SERVICE AND CAN BE CONTACTED AT 1800 367 287, FOS.ORG.AU OR GPO BOX 3, MELBOURNE VIC 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT INFORMATION FROM IT AT A LATER DATE.

CONTACT US

Call us on 131 431

(from 8am – 8pm, AEST)

Or visit commbank.com.au

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