



Hardship & Vulnerable Customer Policy

1. Objective of the Policy

Hardship is a situation in which a customer's life is difficult or unpleasant, often because they do not have enough money or arising from illness, casualty loss and other such unforeseeable occurrence.

The hardship policy aims to provide a clear process for assisting consumers who are experiencing financial hardship, ensuring they are treated with respect and given fair opportunities to manage their debt obligations.

2. Scope of the Policy

The policy applies to all consumer debts being collected by the company, including credit card debts, personal loans, utility bills, and other consumer credit products.

3. Definitions

- **Financial Hardship:** A situation where a consumer is unable to meet their debt obligations due to circumstances such as illness, unemployment, reduction in income, or unexpected financial burdens.
- **Hardship Variation:** A modification to the terms of the debt repayment plan to accommodate the consumer's financial situation.



First, we categorize accounts and the solution we provide based on customers individual circumstances.

Hardship Category

- Unemployed
- Overcommitted
- Under-employed
- Incarceration
- Reduced work
- Relationship separation (divorce)
- Business Downturn (Self-employed only)
- Maternity/ paternity leave
- Serious / Terminal Illness
- Deceased/ surviving parties
- Addiction
- Natural disaster *

Vulnerable Category

- Bereavement: Loss of family or relative
- Mental illness
- Financial abuse
- Age related impairment
- Limited English

Sensitive Category

- Domestic & Family Violence
- Harm to self or others
- Threatening to complaint Ombudsman / Media



Who is eligible for hardship

Employment

- Unemployed
- Under-employed
- Reduced work
- Business Downturn (Self-employed only)

Illness (Self / Family)

- Serious Illness
- Serious injury
- Mentally ill
- Addicted
- Physical disability
- Addictions

Overcommitted

- Overcommitted (SOP)

Other

- Incarceration
- Relationship separation (divorce)
- Maternity/ paternity leave
- Deceased/ surviving parties
- Natural disaster *
- Domestic and Family Violence
- Self-harm / Harm Others
- Age related impairment
- Language barrier / Limited English
- Homeless



4. Policy Statement


The company is committed to treating all consumers experiencing financial hardship with empathy and respect. We will work collaboratively with customers to find reasonable solutions that allow them to manage their debts sustainably.

5. Procedures for Handling Hardship Requests

A. Consumer Notification

- Consumers can notify the company of their financial hardship at any stage of the debt collection process.
- Notification can be made through various channels: phone, email, written correspondence, or through a designated online form.
 - Phone: Customer can provide the details over the phone on 07 3620 7550 and we assist them with hardship programme.
 - Email: Customer can write to us the details on hardship@chartermerc.com.au & we can assist them
 - Website: Customer can request for Hardship assistance programme via website www.chartermerc.com.au/services/hardship-assistance-programme and we will assign a case manager to contact them through their preferred contact method & time.

6. Responsibilities and Training

- Staff Training: Regular training for all staff involved in debt collection on handling hardship requests and understanding relevant legislation and guidelines.
 - Compliance: Ensure all practices comply with the National Consumer Credit Protection Act, Australian Consumer Law, and ASIC/ACCC Debt Collection Guideline.
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7. Privacy and Confidentiality

Maintain the confidentiality of all personal and financial information provided by consumers during the hardship assessment process in compliance with privacy laws.

8. Monitoring and Review

- **Regular Review:** Regularly review the hardship policy to ensure it remains effective and compliant with current laws and industry best practices.
- **Consumer Feedback:** Seek feedback from consumers who have gone through the hardship process to identify areas for improvement.

9. Dispute Resolution

- Establish a clear process for resolving disputes related to hardship requests.
- Inform consumers about their right to escalate disputes to the AFCA if they are not satisfied with the company's handling of their hardship request.

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Frequently Asked Questions

❖ How can a customer prove that they are in financial hardship?

Customer can volunteer and send us the details, which proves customers current financial situation.

Example:

1. Bank statements showing a reduction of income, essential spending and reduced savings.
2. A report from a financial counselling service.
3. Debt repayment agreements
4. Any other evidence with which customer can explain their circumstances, etc.

Or

A detailed profiling is done prior to offering solutions to understand customers current situation and based on the analysis we help them to enter the Hardship Assistance Programme.

customers may have to provide additional information to help us understand their situation, so that we can work out the best plan to help them.

❖ How can a customer apply for Hardship Assistance Programme?

Customer can apply for hardship assistance programme though phone, email, letter or website.

- Phone: Customer can provide the details over the phone on 07 3620 7550 and we assist them with hardship programme.
- Email: Customer can write to us the details on hardship@chartermerc.com.au & we can assist them

- Website: Customer can request for Hardship assistance programme via website www.chartermerc.com.au/services/hardship-assistance-programme and we will assign a case manager to contact them through their preferred contact method & time

❖ **How long a customer can be on a Hardship Plan?**

Based on customers circumstances, hardship Assistance plan duration may vary. Identifying and categorization is done prior to offering a mutually agreeable solution to customers.

❖ **What are the different types of Hardship?**

Hardships can be categorized as follows:

- Temporary Financial Hardship
- Permanent Financial Hardship
- Emotional Hardship
- Situational Hardship

In many cases unemployment may not be the only reason for the hardship. We need to understand the reason why customer was not paying or missed payment. Based on customers current circumstances, we offer a mutually agreeable solution.

❖ **Does the customer need TPA/ FC/ Trustee to get into Hardship plan?**

Customers do not require a TPA / FC / Trustee to get into a Hardship programme. Customers can contact us via phone, email, letter or website, and register themselves for the Hardship assistance programme. A case manager will be assigned and they will contact customers through their preferred contact methods

❖ **Can an TPA get into a Hardship Assistance plan on behalf of a customer?**

Yes, a TPA / FC / Trustee can get into a payment plan on behalf of the customer. We need customer's authorization/ Power of attorney, so that we can discuss the details with them in future.

❖ **Can a customer with language barrier enter into a Hardship assistance programme?**

Yes, an interpreter can help customer to understand the various options available

❖ **Can a customer change his hardship status from Temporary financial Hardship to Permanent Hardship?**

Yes, customer may apply for a change in Hardship status. After entering into an hardship plan, customers financial situation may change and we can offer a change in plan based on their current situation.

A profiling is done prior to changing Hardship status. We also request customers to provide additional information to help us understand their situation, so that we can work out the best plan for them.

❖ **Can a customer apply for Debt waiver, Moratorium?**

Customer can apply for a Moratorium or Debt waiver. We may request customer to provide additional information to further evaluate customer's reason for the offer. The details will be sent to Client and final confirmation is done as per client requirement.

❖ **What happens when customers miss payment during the plan?**

Customer can re-enter the payment plan upon explaining valid reasons for their non-payment. We may request customer to provide additional information to understand their situation.

❖ **Can a customer Settle the account after getting into a payment plan by making a lump-sum payment?**

Yes, we can negotiate a reasonable amount to settle the account in full.

Client approved settlement can be offered to customer on request, but if the customer is requesting a bigger settlement, then we seek an approval from the client.



❖ **Can a customer request for non-verbal communication?**

Yes, Customer / TPA / FC can request for a non-verbal communication. On request, customer can communicate with them via email / letter.

Contact Hardship Specialist Team

Call: 07 3620 7550

Fax: 07 3284 6855

Email: hardship@chartermerc.com.au

Web: www.chartermerc.com.au/services/hardship-assistance-programme

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