



Hardship & EDR Processes

Bulletin 2: Collection Agents Process

I am writing to inform you of ANZ/Esanda's processes for managing Hardship applications and complaints that have been lodged with an External Dispute Resolution (EDR) scheme (i.e. Financial Ombudsman Service [FOS]).

EDR

Please note that from 1 July 2010 ANZ/Esanda's Default Notice pursuant to *S.88 of the National Credit Code (NCC)* will contain a reference to ANZ/Esanda's EDR scheme, in accordance with our obligations under the NCC.

In the event that FOS notifies ANZ/Esanda that a Customer or Third Party has lodged a complaint, Agent Management will inform the Agency as soon as possible by telephone and in writing. The Agency must cease all collection activity and legal enforcement action immediately and await Agent Management's further instructions.

Hardship

When contact is made with the Customer, an Agency is obliged to make enquiries with respect to the Customer's circumstances and ascertain the reason(s) for the default, for example: unemployment, illness or other cause.

Where a Customer is seeking assistance on the grounds of Hardship or the Agency considers that the Customer is seeking assistance on the grounds of Hardship (either explicit or implied), the Agency is required to consider an application for Hardship.

Please note that under the National Credit Code, there is a requirement to inform a Customer in writing of the outcome of a Hardship application (regardless of whether it is accepted or declined) within 21 days of receipt of the application. However, the 21-day statutory period will not commence until all of the information that is required to assess and process an application is received.

Where an Agency accepts a repayment arrangement or settlement offer within their discretion (after a Customer has claimed Hardship or the Agency considers that the Customer is experiencing Hardship), the Agency must issue a notice confirming acceptance of the application to the Customer within 21 days of receipt of the application. ANZ/Esanda will supply all Agencies with a template acceptance notice as soon as possible.

However, if it is beyond an Agency's discretion to accept a Hardship application or the Agency intends to decline the application for any reason whatsoever, the application must be forwarded to ANZ/Esanda's Agent Liaison Email Inbox for further assessment within 7 days of the Agency's receipt of the application. This will afford ANZ/Esanda at least 14 days to assess the application and issue the appropriate notice.



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Therefore, it is imperative that all Agencies assess any Hardship applications within 7 days of their receipt. If the Hardship application is declined, the Agency must cease all action and await ANZ/Esanda's further instructions pending ANZ/Esanda's assessment of the application. After assessing and determining the application, ANZ/Esanda will issue the appropriate notice to the Customer in line with its statutory obligations and issue instructions to the relevant Agency accordingly.

Please note that ANZ/Esanda will monitor the impacts of the changes to our processes and, once they are assessed, we expect to issue updated procedures in approximately 90 days. In the interim, ANZ/Esanda would be pleased to work with you to identify and address any issues.