

Financial Services Guide

(Corporations Act (Cth) 2001)

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Police Association Credit Co-operative Limited

ABN 33 087 651 661 AFSL 240293

Trading Name : Police Credit

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Police Credit

Securing your future

Police Credit was established in 1974 by a group of Victoria Police officers and has been providing financial services to its members in Victoria's emergency and health services family growing to become one of the largest credit co-operatives in Victoria. As a result we have grown to offering a wide range of financial services to specific sectors of the community – police and emergency services, the health industry and government departments, as well as families and friends. Police Credit is wholly owned by its members, who are all equal shareholders.

We have prepared this **Financial Services Guide (FSG)** to assist you in deciding whether to acquire any of the products or services Police Credit is authorised to provide. It contains important information about:

- The products and services we offer;
- How we and others are paid for those products and services;
- The interests, associations and relationships we have;
- How we deal with complaints; and
- Our contact details.

Other documents you may receive

If we provide you with personal advice (advice which takes into account your objectives, financial situation and needs) about an insurance product or about any other product that is not a 'basic deposit' product or a related facility for making payments other than by cash, you should receive a **Statement of Advice (SOA)**. A SOA sets out the personal advice given to you, including any recommendations about particular financial product/s, the basis of those recommendations, information about fees and commissions and associations with others that may have influenced the advice.

If we recommend, offer or issue you with a financial product, we will give you a **Product Disclosure Statement (PDS)** or disclose the key information contained in the PDS. The PDS will contain information about the product including its terms and conditions, benefits and features and any costs associated with the product. If the product is a basic deposit product and a related non-cash payment product, a PDS may not be issued and in these circumstances we will provide you with information and terms and conditions, including fees and charges, for the product. These documents will assist you to decide whether you wish to acquire the product.

Privacy Statement

Police Credit has included, within this FSG, a copy of its Privacy Statement for your reference.

THE PRODUCTS AND SERVICES WE OFFER

Police Credit, as an AFS licensee, is licensed to deal and advise in:

- basic deposit products;
- non-basic deposit products;
- non-cash payment services;
- general insurance products; and
- retirement savings accounts.

Police Credit is also authorised to advise on

- superannuation;
- personal risk insurance;
- interests in managed investment schemes, including investor directed portfolio services;
- debentures, stocks or bonds issued by a government; and
- securities limited to debentures of a body corporate or unincorporated body.

Police Credit's deposit products savings and investment accounts, include online accounts, retirement savings, first home saver, christmas club accounts and term deposits with terms up to five years. Our non-cash payment services include a debit card, credit cards, cheque book, phone and internet banking, regular payments and direct debits, BPAY®, and through Amex and Travelex foreign currency products in telegraphic transfers, drafts and travellers' cheques.

Insurance products available through Police Credit include home and contents, motor vehicle, landlord, pleasure craft, travel and consumer credit. Life insurance products include consumer credit, sickness and accident and personal risk insurance with Police Credit acting as both a mere referrer and (through PC Planning, our financial planning service) as an agent to a number of organisations, we can provide our members with risk insurance products.

PC Planning can provide advice on superannuation, interests in managed investment schemes (including investor directed portfolio services, government debentures, stocks or bonds, debentures of a body corporate or unincorporated body) and retirement savings accounts.

Other products and services provided by Police Credit include a range of credit products and foreign currency cash collection and purchase. PC Planning also act as a referrer for legal services such as preparation of wills, estate planning and preparation of powers of attorney and for tax advisory services.

REMUNERATION AND OTHER BENEFITS

Police Credit representatives are salaried employees who do not receive any commission for any products and services they issue or recommend. Any commission or payment from third party products is paid directly to Police Credit and applied for the benefit of all members. Those payments, where known, are advised in the content that follows. Where the payment or

commission is percentage based or falls within a range, the actual cost to you will be advised to you in a Statement of Advice.

Police Credit staff may be eligible to receive incentives and additional benefits based on a number of factors, including:

- achieving high standards in member service; and
- the credit union's performance against targets.

The incentives may take the form of tickets to events or similar rewards, either from Police Credit or from third party providers for whom we act as an agent. Additional benefits such as complementary or subsidised attendance at conferences may also be provided to Police Credit for their staff.

DEPOSIT AND PAYMENT SERVICES

Relationships between Police Credit and other parties and commissions

Police Credit is owned and controlled by its shareholders (members). All deposit and investment savings products provided to you by Police Credit are owned by Police Credit, as are our phone and ebanking services.

However, like other credit unions, we have arrangements with transactional product providers to provide members with the non-cash payment services. Through Indue Limited ABN 97 087 822 464 (Indue) a leading provider of transactional products, we can provide members with debit and credit cards (distributed by Visa International), cheque books and BPAY. Through Amex and Travelex we can provide members with foreign currency services.

Other than its relationships with Indue, Amex and Travelex, Police Credit does not have any other relationships which might influence the circumstances in which advice on our deposit and payment products is provided.

We provide our PC Visa debit card and credit cards, PC Visa Silver and PC Visa Gold, on behalf of Visa International. We receive commission for the value of a credit transaction effected by our cardholders. We also receive a currency conversion fee on all international transactions.

Debit card

Type of transaction	Domestic	Asia	International
Electronic	12 cents	1.35%	0.60%
Currency Conversion			3.65% of the AUD amount (included in the Australian dollar transaction account shown in your Statement of Account).

Credit cards

Type of transaction	Domestic	Asia	International
Electronic	0.40%	1.35%	0.60%
Currency Conversion			2% of the AUD amount (included in the Australian dollar transaction account shown in your Statement of Account).

BPAY Bill Paying Services

We provide BPAY bill paying services on behalf BPAY. We receive commission of 45 cents for every transaction, of this payment, 16 cents is passed on to our service provider, Indue.

Foreign Currency Services

We provide international telegraphic transfers and drafts on behalf of Amex and Travelex. For this service, we receive for every individual transaction effected by our members

Type of transaction	Amex	Travelex
Telegraphic Transfers	0.5% per individual transaction	\$13.50 per individual transaction
Drafts	0.5% per individual transaction	\$7 per individual transaction
Travelers cheques	1% min \$8.00	N/A
Foreign Cash Buy/Sell	1% min \$8.00	Not Available

Retirement Savings Accounts

Police Credit's **retirement savings account, SuperFuture**, is available as a savings account or term deposit. Account based income streams are also available with the RSA. The accounts have no set up or ongoing fees, however withdrawal or exit fees may be charged by our service provider, Financial Synergy Pty Ltd.

Type of RSA	Fee	Charged
Savings	\$43.59 indexed each year (at 30 June) in line with movements in Average Weekly Ordinary Time Earnings.	Deducted from the RSA balance at the time of withdrawal
Term deposit	This charge is not a fixed amount but a reduction in the interest rate.	This is applied when a RSA term deposit is redeemed prior to maturity. The maximum reduction will be the difference between the contracted interest rate for the redeemed deposit and the rate payable on the lowest RSA variable rate.
Pension Payment	\$77.00 indexed each year (at 30 June) in line with movements in Average Weekly Ordinary Time Earnings.	Deducted from the RSA income stream account balance annually on 30 June or upon closure of the account.

INSURANCE SERVICES

Police Credit, trading as PC Insurance Agency, acts as an agent for

- Allianz Australia Insurance Limited (Allianz);
- CGU Insurance Limited (CGU);
- Club Marine, underwritten by Allianz;
- Allianz Global Assistance for the insurer Allianz; and

- Swann Insurance (Swann).

The agreements we have in place with each company enables Police Credit to arrange the policy with Allianz, CGU, Club Marine, Allianz Global Assistance or Swann. The insurer you select is the issuer of the relevant policy.

Through agreements with the above companies Police Credit is able to arrange the insurance you select, through the issuer for a variety of general insurances;

- Home
- Motor vehicle and motor equity
- Caravan and trailer
- Landlord
- Consumer credit insurance
- Pleasure craft
- Travel

Police Credit has referral arrangements in place with St Andrews Life and Allianz Life and can provide advice on and source other personal risk insurance product providers, through its financial planning service, PC Planning for

- Life insurance
- Term life insurance
- Sickness and accident and accidental death benefit plans.

When offering you an insurance policy or referring you to an agency we will clearly disclose our relationship and any remuneration.

How will you pay for our insurance services

Where you acquire an insurance policy you will be charged a premium, payable yearly or monthly, for that policy and based on your circumstances (plus relevant taxes and charges) by the insurance company.

Police Credit receives a commission from the insurer when you first acquire an insurance policy and on renewal of that policy. The amount of commission depends on the insurance company providing the policy and the type of insurance and will be disclosed to you prior to you purchasing the policy.

For example, with general insurance policies,

Type of Insurance	Commission
Allianz	5%-20%
CGU	10% - 20%
Club Marine	5% - 20%
Allianz Global Assistance	30%
Swann	20%

Examples of how this commission is applied appear in the table following.

- Example 1. A member obtains insurance covering their home contents for an amount of \$28,200.

- Example 2. A member has upgraded their motor vehicle. Their insurance policy is endorsed reflect this.

Transaction	Premium	Gov't taxes, levies & duties	Total Premium	Commission to Police Credit
Example 1	\$226.67	\$99.73	\$326.40	\$45.33
Example 2	\$7.78	\$1.64	\$9.42	Nil

Where the policy is a sickness and accident, term life or accident death plans, that is a personal risk insurance policy, the commission will be in the following ranges

	St Andrews Term Life or Accidental Death Benefit	Allianz Term Life	PC Planning, advisory service
New policy – first year premium	20%	20%	Up to 115%
Subsequent years – renewal premium	20%	10%	Up to 24.75%

This remuneration is included in the premium rate and is paid when each premium payment is made.

The premium you pay will based on a number of factors, including, but not limited to, your age, occupation and medical condition and will be disclosed by your advisor in your Statement of Advice.

PC PLANNING, FINANCIAL PLANNING SERVICES

Police Credit's financial planners, PC Planning, can provide advice on a range of products and investment options after considering your objectives, financial situation and needs.

PC Planning offers a variety of products and services such as personal financial plans, personal risk protection, superannuation and retirement savings accounts, and has partnered with State Trustees to provide will preparation, estate planning and taxation advisory services.

Police Credit ensures all products recommended to you have been extensively researched, both internally and externally, before being approved for our extensive Product List. We are not limited to any one product type or provider which means we can usually source a product to suit your current financial situation, your objectives and needs and your attitude to risk.

Our financial planners are members of the Financial Planning Association of Australia. As representatives of the Police Credit, we are responsible for the advisory services our financial planners provide to you.

Remuneration and other benefits

Specific and detailed information about fees, payments, incentives and commissions received by Police Credit will be

included in the Statement of Advice you receive. Police Credit's financial planners are salaried employees and do not receive commissions for any products recommended to you.

Initial Services

Police Credit does charge a Service Fee for its planners' services, as explained below.

Service fees are the fees charged for the services provided by the financial planner at

- *initial appointment*
- *provision of financial plan*
- *Limited Advice or Placement Advice financial plan. All Police Credit Service Fees quoted and charged are inclusive of GST and are not percentage based.*

Your initial meeting will incur a fee of \$99 that is rebated in full from the cost of your financial plan.

Preparation of a SOA

We will charge you a fee for a consultation with a financial planner and for the preparation of a SOA. Our fees are generally based on an hourly rate of \$220. However your initial half-hour consultation is fully rebated from the cost of your financial plan. The amount of time it takes to prepare your Statement of Advice will depend on the complexity of your situation and the strategies and recommendations provided. On average, a reasonably complex Statement of Advice will take eight hours to prepare. This would translate to a Statement of Advice fee of \$1,760.

Where the advice being sought is limited to a specific area or objective, the fee remains at \$220 per hour, however it may take less time to prepare a Statement of Advice and the overall fee should be less. A quote for the cost of a Statement of Advice will be provided after your first meeting with a Financial Planner.

SOA for Personal Risk Insurance

Police Credit may charge for the preparation of a SOA for Personal Risk Insurance. This fee will depend upon the scope of advice and level of complexity and is based upon the \$220 per hour charge.

How and when paid

The initial appointment fee is payable at the completion of the meeting.

At the time you decide you require a financial plan, you will need to provide Police Credit with your deposit. For a standard financial plan the deposit is \$100. The deposit for a Limited Advice or Placement Advice plan is \$50.

The balance will be payable on collection of your financial plan. You will be issued with an invoice.

Implementation of advice

Where a member decides to act on the advice provided in the SOA there may be additional fees and commissions associated with the implementation of the advice. The fees and commissions will vary between funds and products and will be detailed in the PDS and/or your SOA. The implementation fee includes the preparation and completion of various paperwork associated with the recommended products and is based upon the \$220 per hour charge.

Ongoing review costs

To ensure the strategy and products recommended to you continue to meet your circumstances, needs and objectives Police Credit offers ongoing reviews of your investments. There are varying levels of service packages that are offered to clients and the cost to you, ranging from \$330 to \$4,000 per annum, is based on the scope of the services you receive or require. The package and cost to you will be agreed with you and recorded in either a SoA or Record of Further Advice (ROFA). The fee may be paid from by product provider, deducted from your investment (where applicable) or invoiced by Police Credit directly to you.

For further information on service packages refer to www.policcredit.com.au/financial-planning_reviews-service-packages.aspx.

By agreement with the financial planner, you may elect not to have a formal review agreement. In these circumstances you will need to contact the financial planner should your financial needs, goals or objectives change or if you wish to review your investment portfolio. If you request a review you will be charged a review fee at that time. Currently the review fee is \$220.00 per hour.

Payments from product providers

In addition to the above, Police Credit may receive commissions or other benefits from product providers. Examples of these commissions and payments include

- An upfront commission is paid by the product provider to Police Credit once only and is based on the amount of funds invested or insurance premium you pay.
- Ongoing commissions are paid by the product provider to Police Credit on a monthly basis and again are based on amount of funds invested or insurance premium you pay for as long as you hold the product and have Police Credit represent you.
- Assistance through complimentary or subsidised attendance at conferences. Benefits greater than \$300 are recorded in a register meeting the FPA requirements for alternative forms of remuneration. This register is publically available to you at your request.
- Police Credit may receive a licensee commission based on the total funds invested in their products or insurance premiums paid through Police Credit.

Our interests, associations and relationships with others

Police Credit is owned and controlled by its shareholders (members). We have an agreement with Securitor Financial Group Ltd ABN 48 009 189 495, AFSL 240687, ("Securitor"), to provide us with support services such as compliance, training, technical services and commission processing. Securitor is a wholly owned subsidiary of Asgard Wealth Solutions Limited ABN 28 009 143 597, which is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 ("Westpac"). Asgard Wealth Solutions Limited also owns Asgard Capital Management Ltd ABN 92 009 279 592 AFSL 240695 ("Asgard"). Westpac also owns other companies that bear the "Westpac" and "BT" names. BT Financial Group is the wealth management arm of the Westpac Group.

Other than relationships with business partners identified within this FSG and the providers of the products recommended to you by the Financial Planners, Police Credit has no relationships with third parties which might influence the circumstances in which this financial service is provided.

Other than our relationship with Financial Synergy Pty Ltd, who provide us with RSA support services such as compliance and technical services such as statementing, Police Credit does not have any influence in which advice on our SuperFuture RSA is provided.

To protect your interests, PC Planning's financial planners are not permitted to act as a trustee, operate a trust, hold a Power of Attorney or hold funds on your behalf. Financial planners are not permitted to have access to withdraw client funds, nor are they permitted to ask you to sign forms which have not been fully completed.

Our financial planners will work with you to understand your needs, objectives and personal circumstances, explain the scope of advice being given and any limitations in that advice. Our Statement of Advice to you will include our recommendations, explain the basis for those recommendations, the cost to you for implementing the advice and any associations we may have that may influence the advice given. The Product Disclosure Statements issued to you for the products recommended to you have been produced by the product providers, not Police Credit, and provide information about each product to assist you in making an informed decision about your plan and acquiring that product.

Where Police Credit provides you with personal advice subsequent to issuing a Statement of Advice, this further advice, may be recorded in a Record of Further Advice (ROFA). You may request a copy of this ROFA by contacting us.

OTHER SERVICES PROVIDED BY POLICE CREDIT

Credit products

Police Credit, through its Australian Credit Licence, is able to provide credit products namely

- Home loans;
- Home investment loans;
- Car loans;

- Personal loans for student, travel and general purposes;
- Lines of credit;
- Credit cards; and
- Overdrafts.

More information for these products can be found on our website, in branches and in our Credit Guide.

Health Insurance

Police Credit partners with BUPA Australia Health Pty Ltd ABN 50 003 098 655, trading as HBA, to provide private health insurance in the Member Health Plan.

Police Credit will receive a commission up to 3% on each policy for referring this insurance.

WHO SHOULD YOU APPROACH IF YOU HAVE A COMPLAINT ABOUT THE SERVICE YOU HAVE RECEIVED?

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This procedure is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by telephoning Member Response on 13 63 73 and pressing 3.

If you have a complaint about a product or the service offered or provided by Police Credit please call us on 13 63 73 or visit www.policecredit.com.au to view our Complaints and Dispute Resolution Guide. The Guide explains how we deal with complaints and disputes and the options available to you.

If we are unable to satisfactorily resolve your complaint you are entitled to have your complaint reviewed free of charge by the Financial Ombudsman Service (FOS). FOS provides external dispute resolution services of which Police Credit is a member. FOS can be contacted on 1300 780 808.

If your dispute involves an issue about our Retirement Savings Account products or superannuation you should contact the Superannuation Complaints Tribunal (SCT) who can be reached by phone on 1300 884 114. The SCT website www.sct.gov.au provides for online complaint forms.

If your dispute involves an issue with respect to an insurance claim or valuation you should contact the insurance company concerned, prior to contacting the Financial Ombudsman Service.

PRIVACY STATEMENT

Police Credit's Commitment

In handling your personal and financial information, Police Association Credit Co-operative Limited ABN 33 087 651 661 (Police Credit) is committed to complying with the Privacy Act 1988, the National Privacy Principles and the Mutual Banking industry Code of Practice. to which we have agreed to be bound by. A copy of our Privacy Policy is available on request.

Collection and use of personal and financial information

Police Credit collects personal and financial information from you when you apply for membership, products or services and, when you inform us of any changes to your personal or financial information that we hold about you and when you apply to use our products and services.

Police Credit collects information to enable it to:

- assess your eligibility for membership,
- if accepted, to provide membership benefits to you,
- assess your eligibility for our products and services,
- if approved, to provide you with the products and services you require, and
- provide you with information about products and services available to you from Police Credit and associated businesses including information about discounts, competitions and special offers.

Providing your personal and/or financial information to other organisations

In providing products and services to you it may be necessary for us to provide your personal and/or financial information to other organisations with whom Police Credit conducts business.

Organisations include

- our legal advisors, accountants and auditors,
- printers and mailing services who assist us in providing products and services to you,
- insurers and mortgage insurers used by Police Credit and re-insurers of any mortgage insurer,
- collection agents, credit reporting agencies, conveyancers, an organisation proposing to fund the acquisition or acquire any interest in any obligation you may owe us (whether under a loan, guarantee or security), that organisation's agents, persons involved in assessing the risks and funding of the acquisition and after acquisition the purchaser and any manager,
- other financial institutions,
- our agents,
- external payment systems operators,
- other organisations with whom we have an alliance or arrangement for the purpose of promoting our respective products and services, and agents used by us and our

business partners in administering such an alliance or arrangement,

- suppliers of goods or services to you in connection with a rewards program associated with a facility,
- contractors and external advisers (such as Indue Ltd) whom we engage from time to time to carry out or advise on our functions and activities,
- information technology service providers including those who assist or support us with data storage and processing and software development,
- government agencies, such as Australian Prudential Regulation Authority, Australian Transaction Reports and Analysis Centre and Australian Securities and Investments Commission, which regulate our products and services,
- law enforcement bodies and courts,
- your agents and contractors such as your legal adviser, financial adviser, financial institution, builder, conveyancer and settlement agent or insurers or prospective insurers and their underwriters,
- your executor,
- your administrator, trustee, guardian or power of attorney, your employer, your referees and any other person to the extent deemed necessary by us, in order to deliver any instruction you give us.

Your personal and/or financial information is only provided to those entities to the extent necessary to enable us to provide member benefits and our products and services to you and to the extent required by law.

For example, to facilitate transaction investigation and to assist with identification of suspicious or fraudulent transactions, your personal information and transaction details may be sent to countries other than Australia. By using your Visa card, you agree that your personal information and transaction details may be sent overseas.

Security of information

We have implemented appropriate physical, electronic and managerial security procedures in order to protect personally identifiable information from loss, misuse, alteration or destruction. Only our authorised personnel are provided access to personally identifiable information in order to perform their roles and these employees have agreed to ensure the confidentiality of this information. We regularly review security and encryption technologies and will strive to protect information to the fullest extent possible.

Linked sites

Our website may contain links to other sites. We are not responsible for the privacy practices or the content of these web sites. We encourage you to read the privacy statements of any linked sites as their privacy policy may differ from ours.

Marketing Information

If you have not opted-out of receiving marketing material, we may provide you with information from time to time about new products and services available to you from Police Credit, or other businesses with whom we have a relationship.

Your consent to our providing this information to you will be implied unless you notify us that you wish to opt-out, i.e. not to receive this information. You may do this by contacting Member Response on 13 63 73 and advising them that you do not wish to receive marketing information.

What if You Do Not Wish to Provide Us With Information

In order to provide products and services to you we require information about you. If you do not provide us with all of the information we require we may be unable to accept your application for membership or provide products or services to you.

If you are applying for an account or a service governed by the Anti-Money Laundering and Counter Terrorism-Financing Act 2006 you must provide information such as your name, residential address, date of birth, occupation, country of residency and contact details. If we are unable to verify your identity, your account or the requested service cannot be provided and/or as the signatory you or your authority to operate, may not be able to withdraw funds.

The Insurance Contracts Act says you and any life to be insured have a duty to disclose information which may affect the insurance company's decision to grant insurance or the terms of insurance.

Under the First Home Savers Account Act and Retirement Savings Account Act, Police Credit is required to collect information about your identity for the purposes of opening and operating the account.

If you do not provide us with your Tax File Number there may also be taxation implications for you.

Your Rights

Under the Privacy Act you have the right to access personal information we hold about you. If the information is incorrect, you have the right to require us to amend the information.

Who should you approach if you have a complaint about our compliance with our Privacy Policy or the Privacy Act?

If you have a grievance or complaint, you should contact our Privacy Officer by telephone on 13 63 73 or by mail to PO Box 669 Carlton South 3053.

If you are still not satisfied, you may be able to access the Director of Complaints, Office of Federal Privacy Commissioner which is an impartial and respected alternative to legal action. You may telephone the service on 1300 363 992, write to GPO Box 5218 Sydney NSW 1042 or send an email to privacy@privacy.gov.au.

Further Information

Should you require further information about our Privacy Policy or access to your personal information, please contact Member Response on 13 63 73.

By signing the application instruction form applicable to your product or service, you consent to Police Credit doing these things.

Further information

More information is available on the financial services outlined in this document from your representative/adviser or Police Credit. If you require another copy or further information on any aspect of any of the financial services, then please contact us.

The information contained in this document is current at the time of issue to customers.