

DEFENCE BANK PRODUCTS AND SERVICES

Financial Services Guide

Effective from 01 August 2017



Defence Bank

Defence Bank Limited

Financial Services Guide (FSG)

This FSG is an important document designed to:

- > Assist you to decide whether to use any of our financial products or services
- > Inform you about how Defence Bank and others are remunerated in relation to those products and services
- > Inform you about our complaints and disputes resolution process.

Products and services

We are authorised under our Australian Financial Services Licence (AFSL) number 234582, to provide advice and deal in financial products in relation to:

- > Deposit and payment products including:
 - Basic deposit products
 - Deposit products other than basic deposit products
 - Non-cash payment products
- > General Insurance products
- > Life products limited to Consumer Credit Insurance
- > Retirement Savings Account products
- > Superannuation.

Product information

Depending on which products and services you choose, you may also receive a Defence Bank Products and Services Conditions of Use Brochure (DPS), a Product Disclosure Statement (PDS), or a Terms and Conditions brochure.

In addition, we will ensure that you receive a copy of our Fees and Charges Schedule so that you are fully aware of the various fees associated with our products and services.

These documents will assist you with comparing financial products and decide whether to acquire a particular product or service. They are all available at any Defence Bank branch or by visiting **defencebank.com.au**

These documents will contain:

- > product information, including terms and conditions
- > fees and charges information
- > information on our complaints and disputes resolution process.

How to instruct us

You can give us instructions by using the contact details set out on the last page of this FSG. Some products and services may have their own rules around how to provide instructions or execute certain transactions. Please refer to the appropriate PDS or other documents for the product details.

Remuneration or other benefits

Defence Bank is responsible for the financial services we provide to you under our AFSL.

Defence Bank may refer you to another Australian Financial Services Licencee/s who can provide advice and deal in financial products outside those Defence Bank is licenced to provide.

If there is any remuneration payable to Defence Bank as a result of the referral, you will be advised at the time of your initial consultation.

Arrangements with external providers

Defence Bank acts on behalf of other product issuers when it arranges to provide you with the following products and services:

- > General Insurance products
- > Consumer Credit Insurance products
- > Foreign currency services
- > Superannuation

Detailed below are the business partners and commission arrangements that Defence Bank has in place where we arrange for you a financial product or service.

In addition to these arrangements Defence Bank may also from time to time receive other benefits from our business partners which may include training assistance and payment for expenses incurred through marketing and promotional materials.

Insurance Australia Limited trading as CGU Insurance (CGU) and Swann Insurance (Swann)

Defence Bank acts as agent for CGU and Swann (the insurer). These arrangements allow us to enter into insurance contracts with you on their behalf.

While we can arrange insurance cover for you, your contract of insurance will be with the insurer and not Defence Bank. The insurer will be responsible for the performance of the insurance contract. Insurance products available from CGU and Swann Insurance include home and contents, motor vehicle, travel, loan repayment, barrack room, caravan/trailer, boat insurance products and more.

We receive commission on insurance products as a percentage of the premium paid (excluding stamp duty, fire service levy and GST) as follows:

- > **CGU** (excluding Travel) 7.5% - 30%
- > **CGU Travel** 0% - 30%
- > **Swann** 10% - 20%

The level of commission varies depending on the type of policy that is taken.

Travelex Limited (“Travelex”) and Western Union Business Solutions (“WUBS”)

- > When you use the products and services provided by Travelex and WUBS as detailed below, Defence Bank receives a commission of 30% of Travelex and WUBS currency exchange margin.

Access Prepaid Australia Pty Ltd (Access Prepaid)

Access Prepaid arranges for the issue of the Cash Passport in conjunction with the issuer, Heritage Bank Limited. When you acquire a Cash Passport product, Access Prepaid pays Defence Bank a commission. Commissions received by Defence Bank are detailed as follows:

- > 1% of the initial load/reload amount

Top Quartile Management Pty Ltd (TQM)

Defence Bank has an arrangement in place with TQM to act as a referrer to TQM for superannuation services.

Bridges Financial Services Pty Ltd (Bridges)

Although we no longer offer this product Defence Bank previously had arrangements in place to act as a referrer to Bridges for superannuation products. Defence Bank may receive a trailing commission up to 30% of the entry and/or ongoing fee.

Chartis Australia Insurance Limited (Chartis)

Although we no longer offer this product, Defence Bank previously had arrangements in place to act as a referrer for Chartis insurance products such as sickness and accident insurance.

Defence Bank receives a trailing commission of 13% of the insurance premium for the first four years or part thereof of an active insurance policy.

Global Business Payment Products

> outbound Telegraphic Transfers, inbound Telegraphic Transfers, Drafts and Foreign Currency Documents conversion.

Currency Services Products

> foreign cash.

Our associations

Defence Bank is a shareholder of Credit Union Services Corporation (Australia) Ltd (CUSCAL), which is a major provider of transactional banking services to financial services institutions across Australia.

Through our association with Cuscal, we are able to provide you with the following financial services:

- > Visa Debit Card
- > Visa Credit Card
- > Member Chequing
- > rediCARD
- > BPAY.®

Visa International Service Association Inc. (Visa) Visa Debit Card

When you use your Visa Debit Card to pay for goods or services, if you select the credit function, Defence Bank receives a commission from the owner of the EFTPOS terminal. The commission rate depends on the type of transaction:

Visa Debit	
Charity	0.0%
Strategic merchant program	2.2c*
Segment specific rate	
> Government	6.6c
> Transit	6.6c
> Supermarket	6.6c
> Service Station	6.6c
> Education	6.6c
Recurring payments	6.6c
Electronic	8.8c
Standard, card not present and paper	0.286%
Cash out	26.4c - 33c

*Rate dependent on merchant

Visa Credit Card

Defence Bank receives the following commission in respect of Visa Credit Card transactions:

Visa Debit	
Charity	0.0%
Strategic merchant program	0.22% - 0.44%*
Segment specific rate	
> Government	0.33%
> Transit	0.33%
> Utility	0.33%
> Supermarket	0.33%
> Service Station	0.33%
> Education	0.33%
> Insurance	0.33%
Recurring payments	0.33%
Electronic	0.33%
Standard, card not present and paper	0.33%

*Rate dependent on merchant

Please note: further fees are applicable for Visa Debit/Credit Card foreign currency transactions.

BPAY Limited (BPAY)

Defence Bank receives commission from Cuscal when you use BPAY from:

- > Credit card accounts \$0.32 per transaction plus
0.27% of the dollar value
- > Other accounts \$0.35 per transaction.

Staff incentives and other rewards

Our representatives are salaried employees and do not receive any commission or benefits in respect of the products which they provide advice on or deal in on behalf of Defence Bank.

Any commissions are paid directly to Defence Bank. Defence Bank or its business partners may offer incentives, including bonuses, movie and event tickets, meals, wine, etc, related to the sale of products and services. Defence Bank may pay bonuses to individual staff members based on sales performance.

Your Privacy

We comply with applicable Privacy laws. General information about how we collect, use and disclose personal information about you is set out in our Defence Bank Products and Services – Conditions of Use. Our Privacy Policy provides additional information about how we handle your personal information. Both of these documents can be viewed on our website at defencebank.com.au or are available on request. When you access our website the terms of our Website Privacy Notice also apply. When you apply for a loan product we will ask that you give us various privacy permissions.

Our complaints and disputes resolution process

If you have a complaint about any of our products or services, Defence Bank has established complaints resolution procedures that aim to deal with and resolve your complaint promptly, thoroughly and fairly.

To make a complaint:

- > call Defence Bank on **1800 033 139**
- > talk to the staff at your local Defence Bank branch
- > email info@defencebank.com.au or
- > send a letter to Defence Bank's Complaints Officer by mail at:

Defence Bank's Complaints Officer
PO Box 14537
Melbourne VIC 8001.

For more information about Defence Bank's complaints resolution procedures, please refer to the 'Complaints and Disputes Resolution Guide' which is available at any Defence Bank branch or by visiting **defencebank.com.au**

If you are not satisfied with the steps taken by Defence Bank to resolve the complaint, or with the result of Defence Bank's investigation, you are entitled to have your complaint resolved free of charge by Credit and Investments Ombudsman (CIO), an ASIC approved external dispute resolution body, of which Defence Bank is a member.

CIO may be contacted as follows:

Credit and Investments Ombudsman Ltd
Reply Paid 252
Sydney South NSW 1234

Phone: **1800 138 422**
Fax: 02 9273 8440
Email: info@cio.org.au
Website: **www.cio.org.au**

Alternatively, if you are not satisfied with the steps taken by Defence Bank for a complaint in relation to our Retirement Savings Account, you may contact the Superannuation Complaints Tribunal as follows:





Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

Phone: **1300 884 114**
Fax: 03 8635 5588
Email: info@sct.gov.au
Website: **www.sct.gov.au**

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WE'RE HERE TO HELP

It's easy and convenient to contact us.
Here's how:

-  **1800 033 139** (8am to 8pm AEST weekdays)
-  **visit your local Defence Bank branch**
-  **defencebank.com.au**
-  **info@defencebank.com.au**

Defence Bank Limited

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Defence Bank