



# Newcastle Permanent Financial Services Guide

## Insurance Products, Foreign Drafts and Pre-paid Travel Cards

Dated: 10 December 2019

This guide is intended to provide you with information about Newcastle Permanent Building Society Limited (“NPBS”, “we”, “us” or “our”), the financial services we offer in relation to insurance products, foreign drafts and pre-paid travel cards and the important documents we may give you. It is designed to assist you in making an informed decision about whether you want to use the services we offer.

It also contains information about remuneration that we or other relevant persons may be paid in relation to the services offered, our relationships with product providers, privacy, compensation arrangements and information on how complaints against us are dealt with.

**We also provide financial planning services. If we offer such services to you we will give you a separate Financial Services Guide which will contain information relevant to those services.**

### A guide to our relationship with you and others

#### About us

Established in 1903, we have an extensive network of branches located across Newcastle, the Hunter Valley, Central Coast, Mid North Coast, Northern Rivers, Central West and New England areas. As an established mutual financial institution, we put our customers first by providing an extensive range of financial products and services that are readily available and delivered with efficiency and reliability.

Our Australian Financial Services Licence (AFSL) authorises us to deal in and provide financial product advice in relation to the following product groups:

- Deposit and payment products
- General insurance
- Debentures, stocks or bonds (issued by a government)
- Life Insurance
- Superannuation
- Interests in managed investment schemes (including investor directed portfolio services)

When we provide financial services to you, we will only provide general financial product advice and deal in (by arranging for) the issue of financial products in relation the following product groups:

- Deposit and payment products
- General insurance
- Life Insurance

If we provide you with financial planning services we may deal in and provide financial product advice in relation to other products groups (consistent with our AFSL authorisations). However, if this is the case we will give you a separate financial planning FSG.

#### Documents you may receive from us in relation to insurance products, foreign drafts and pre-paid travel cards

##### **Product Disclosure Statements**

If we agree to arrange for the issue of a financial product or if we provide you with general advice about a financial product, we will provide you with a document called a Product Disclosure Statement (PDS). The PDS will assist you in deciding whether or not to acquire a particular financial product. The PDS contains information about the financial product including the features, benefits, costs and risks associated with that product.

The purpose of the PDS is to ensure that you are well informed about the product and to help you compare the product you are interested in with similar products from other financial service providers.

Depending on the type of services we are providing we may also give you other disclosure documents such as terms and conditions documents or a Key Facts Sheet (KFS).

#### Who is responsible for the financial services you receive

We act under our AFSL (No. 238273) and we act for you when we provide these financial services to you except to the extent that we provide Support Services (i.e. insurance administration services) to Allianz Australia Insurance Limited (Allianz) in respect of their home and contents, landlord, motor, caravan and trailer insurance policies. When we provide those Support Services, we act for Allianz.

We can provide general advice about the following products:

- Deposit and payment products such as foreign drafts and pre-paid travel cards;
- General insurance products such as home and contents, landlord, motor vehicle, travel, caravan and trailer insurance; and
- Combined general insurance and life insurance products such as consumer credit insurance.

We do not provide general advice about life insurance (other than consumer credit insurance) or about certain general insurance products, being pleasure craft, motorcycle and business insurance, as we merely refer you to the product issuer to enable you to acquire these insurance products.

Where we arrange for a product to be offered to you or provide you with general advice in relation to a product, the name of the product issuer will be disclosed in the relevant PDS and KFS. You may also ask our staff for additional information.

#### Giving us instructions

We generally require you to instruct us in person. You may also be able to give us instructions by phone, fax or other means such as email. However, for certain types of instructions, we may impose particular requirements, such as a need for your signature.

#### Our relationships with third parties in relation to insurance products, foreign drafts and pre-paid travel cards

We have associations with the following entities allowing us to act as their distributor when dealing in (by arranging for the issue of) their products:

Product Group	Product Issuer
General Insurance (other than consumer credit insurance) such as home and contents, landlord, motor vehicle, caravan and trailer, pleasure craft, motorcycle and business insurance	Allianz Australia Insurance Limited (Allianz)
Travel insurance	AWP Australia Pty Ltd trading as Allianz Global Assistance as agent for the insurer: Allianz
Consumer credit insurance (no new policies issued from September 2019)	Allianz and Allianz Australia Life Insurance Limited (Allianz Life)
Life Insurance (other than consumer credit insurance)	Allianz Life
Foreign drafts	Western Union Business Solutions (Australia ) Pty Limited

Product Group	Product Issuer
Pre-paid travel card	Mastercard Prepaid Management Services Australia Pty Ltd (arranges for the issue in conjunction with the issuer, Heritage Bank Limited)

We also have an arrangement with Allianz, under which we provide services such as training, marketing and operational support (Support Services) relating to the promotion and sale of home and contents, landlord, motor, caravan and trailer insurance policies issued by Allianz.

**How we are paid in relation to insurance products, foreign drafts and pre-paid travel cards**

**Our staff**

Our staff are remunerated by salary and may also be eligible for an annual cash performance payment and other non cash benefits from time to time. Eligibility for a performance payment is based on a number of factors including quality measures such as compliance audit scores and productivity targets such as customer service outcomes. At present the amount of the cash performance payment is unknown, however it will generally not exceed more than 15% of the relevant employee's salary. Our staff may also receive non cash performance benefits from us which may include opportunities to attend business seminars either within Australia or overseas.

**Our commissions/fees**

We may receive commissions/fees for selling (ie. arranging for the issue of) the products of other product issuers. The table below is a summary of the range of commissions/fees that we may receive.

For example, where you purchase home contents insurance through us we may receive a commission of up to 20% of the amount of the premium. This means that if the premium for your home contents insurance is \$400, we may receive a commission of up to \$80.

In addition, depending on the type of product and product issuer, ongoing commissions/fees may also be payable either monthly, quarterly or yearly on either the anniversary of the sale of the product or on the last day of the relevant period for as long as you hold the product. All commissions/fees are paid either by the product issuer or a third party making a payment directly to us. In some cases, instead of paying us separately the product issuer may authorise us to deduct the amount of our commission from your payments before we pass it onto the product issuer. We will tell you if the product issuer authorises this deduction.

Product	NPBS Commission/fee range
General insurance products such as home and contents, landlord, motor vehicle, caravan and trailer, pleasure craft, motorcycle and business insurance	0% to 20% of every premium payment when it is paid.
Consumer credit insurance and life insurance	0% to 20% of every premium payment when it is paid.
Travel insurance	0% to 30% of every premium payment when it is paid.
Pre-Paid Travel Card	Up to the greater of 1.1% of the load/reload amount or \$15 commission charged on initial dollar amount loaded onto the Pre-Paid Travel Card and each subsequent amount reloaded.
Foreign Drafts	\$7.50 fee on every order.

We receive an annual "marketing allowance" from Allianz in the amount of up to 2% of the annual premiums Allianz receives from the home and contents, landlord, motor, caravan and trailer insurance policies we arrange on their behalf. This fee is payable to NPBS to recoup the cost of marketing campaigns and sales related activities.

For providing Support Services as part of our arrangement with Allianz, we may be entitled to receive up to 40% of the adjusted profit Allianz receives from the home and contents, landlord, motor, caravan and trailer insurance policies that we arrange. Profit calculations are subject to a threshold and based on the amount of net earned premium (excluding flood) less claims and expenses.

If you want more information you may request that we provide you with particulars of our remuneration (including commission) or other benefits. However, you will need to make this request within a reasonable time after we give you this Financial Services Guide and before you use our services.

**Protecting your privacy**

The privacy of your personal information is important to us. In general, we collect your personal information for the purpose of providing you with products and services and to allow us to administer our ongoing relationship.

If you would like further information about our privacy and information handling practices, you can obtain a copy of our Privacy Policy by contacting us.

**Compensation Arrangements**

We are regulated by the Australian Prudential Regulation Authority (APRA).

As an APRA regulated entity, we are exempt from the compensation requirements in the Corporations Act 2001. However, we do have professional indemnity insurance arrangements in place to help provide cover for claims that relate to the financial services we provide.

**Making a complaint**

If you have a complaint about NPBS please tell us so we can do something about it. To register your complaint please visit your nearest branch or call 13 19 87 between 8am and 8pm, Monday to Friday and 8am to 4pm, on weekends. Our staff will either deal with the matter or refer it to an appropriate person who can answer your questions.

If the matter is not resolved to your satisfaction you can ask us to review your complaint by writing to:

**By post:** The Chair  
Dispute Review Committee  
Newcastle Permanent Building Society Limited  
PO Box 5001, HRMC NSW 2310

**By email:** Subject: Dispute Review Committee  
enquiries@npbs.com.au

We aim to resolve most disputes quickly, however some matters are more complex and can take longer to resolve. We will respond to you within 28 days of receiving your complaint, advising you of the outcome of the investigation or the progress made and the need for more time to complete our investigation.

If you are not satisfied with the decision made by the Dispute Review Committee you can refer your complaint to the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme.

You can contact AFCA by writing to:

**Australian Financial Complaints Authority**  
GPO Box 3, Melbourne VIC 3001  
Phone: 1800 931 678 (free call)  
Email: info@afca.org.au  
Website: afca.org.au

The review process provided by AFCA is fair, independent and free for NPBS customers.

Before AFCA can investigate a matter you must first have given us the opportunity to review the matter.

**Here's how to contact us**

**By phone:** 13 19 87 (8am – 8pm Monday to Friday, 8am – 4pm weekends)  
**By mail:** PO Box 5001, HRMC NSW 2310  
**By facsimile:** 02 4927 4475  
**At a branch:** To locate your nearest branch visit our website  
**Website:** newcastlepermanent.com.au