IMPORTANT INFORMATION

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Home Loan and Personal Loan Transfer - FAQs

What is happening?

HSBC has entered into a sale agreement for its home loan and personal loan (including personal credit line) portfolio, subject to regulatory approval. As part of this, Pepper Money is expected to manage and service these loans from the first half of 2027.

In the lead up to the transfer, we'll be working closely with the Pepper Money team to help enable a smooth transition and continuity of service.

There's nothing you need to do right now.

We'll stay in touch over the coming months to keep you informed and make sure you have the information you need, when you need it.

In the meantime, you'll find answers to common questions on this page. We'll continue to update these FAQs regularly to support you.

Please note that 'loan' means home loans, personal loans and personal credit line unless otherwise stated.

What happens to my interest rate, fees, discounts and repayments when my loan transfers?

Importantly, the interest rates, fees, discounts and repayments you have with HSBC will transfer across to Pepper Money. After the transfer, Pepper Money will manage and service these loans.

Please note that any changes to your loan will be in accordance with the terms of your agreement. For example, if you have a variable interest rate, HSBC may change your interest rate if the official cash rate changes before the transfer.

What does it mean that my loan will be serviced by Pepper Money? What's the role of Blackstone?

The servicing of your loan means managing the day-to-day operation of your home loan. For example, account enquiries, repayments, and any other ongoing help you may need to manage your loan.

Pepper Money is one of Australia's largest non-bank lenders, supporting a broad range of customers, including non-residents. Pepper New Zealand Limited acquired and took over servicing of HSBC New Zealand home loan customers in 2023. To find out more about Pepper Money, please visit peppermoney.com.au/hsbc

Blackstone is leading the investor group that will provide funding for the home loans and personal loans being transferred from HSBC. They are the world's largest alternative asset manager.

Will my direct debit or repayment arrangements change?

There is no immediate action for you and your current direct debit and repayment arrangements remain in place.

HSBC are working closely with Pepper Money to make the transfer as seamless as possible for you. You'll receive more information closer to the transfer.

When is the transfer expected to happen and what happens between now and then?

Pepper Money is expected to manage HSBC home loans and personal loans from the first half of 2027, subject to regulatory approvals.

Here is an overview of the key stages:

Stage	What will happen	What you need to do
Now	HSBC continues to own and manage your loan. HSBC will continue to contact you about your current loan.	You don’t need to do anything right now.
Before loan transfer	HSBC will send further written updates, including the expected transfer date and any actions required before your loan transfers.	Read the updates carefully and respond if HSBC asks you to take action.
At the time of transfer	Your loan transfers to Pepper Money who will manage and service your loan from the notified date, subject to regulatory approval.	No action is required unless HSBC or Pepper Money have asked you to complete something before transfer.
After loan transfer	Pepper Money will send you a welcome pack confirming the transfer, contact details and how to manage your loan.	Contact Pepper Money for support with your loan after transfer.

! Scammers may take this opportunity to contact you pretending to be from HSBC/Pepper Money - if you're unexpectedly asked to move money or take urgent action, check via official channels.

Will I still have an offset account at Pepper Money? What happens to my current offset account as part of the transfer?

For now, there will be no changes to your offset account, aligned with existing terms and conditions. Before the transfer, you'll receive more important information, including the option to transfer your balance to a Pepper Money offset sub-account which can help you reduce the interest you pay on your home loan. To do this you will need to provide HSBC with your authority to transfer your balance.

You can find more information about Pepper Money’s offset sub-account at peppermoney.com.au/hsbc

	HSBC Offset Account	Pepper Money Offset Sub-Account
The interest benefit	Your offset account or sub-account balance reduces the total balance of your loan that you pay interest on, lowering your interest costs.	

<table>
<tr><th></th><th>HSBC Offset Account</th><th>Pepper Money Offset Sub-Account</th></tr>
<tr><td>How can I access my funds?[1]</td><td>You can access your funds at any time, subject to account terms. This includes:
• Debit card linked to the account
• Online and mobile transactions
• BPay
• Direct debits
• Real-time payments
• Telephone self-service
• HSBC branches</td><td>You can access your funds at any time, subject to account terms. This includes:
• Debit card linked to the sub-account (optional)
• Online and mobile transactions
• BPay
• Direct debits
• Real-time payments
• Telephone self-service</td></tr>
<tr><td>Are the funds in my offset separate from my loan?</td><td>Yes – your offset funds sit in a separate HSBC deposit account linked to your home loan.</td><td>Yes – your funds sit in a sub-account that is structured as a separate split account within your loan.</td></tr>
<tr><td>What about my tax position?</td><td colspan="2">Your offset account or sub-account balance reduces the total balance of your loan that you pay interest on, lowering your interest costs.

The offset sub-account can continue to support customers using the loan for investment and tax purposes with interest deductibility retained.

This is factual information and does not constitute financial or tax advice. The tax treatment of your loan (and any interest) will depend on individual circumstances. Customers are advised to seek their own tax advice.</td></tr>
<tr><td>Important information</td><td colspan="2">[1]Before the transfer, you'll receive more important information, including the option to transfer your balance to a Pepper Money offset sub-account.

Access to the offset account and offset sub-account can be changed, suspended or cancelled in line with your home loans terms.</td></tr>
</table>

How will I be able to access and manage my loan? What features will I have access to with Pepper Money?

After the transfer, subject to your consent, you'll continue to have access to the features available on your loan, including:

For eligible Australian dollar home loans

- Online and mobile account management (transactions and real-time payments)
- Redraw with a replacement debit card
- Offset sub-account

For personal loans

- Online and mobile account management (repayments)
- Debit card access to available funds (for personal credit line)

To learn more about the features available with Pepper Money, please visit: peppermoney.com.au/hsbc

Will I still have access to redraw after my loan transfers?

If redraw is available on your current Australian dollar home loan, this will be available after your loan transfers to Pepper Money.

For personal credit line, you'll continue to have access to any available funds after the transfer.

Will my terms and conditions change when my loan transfers?

Your home loan and personal loan will continue to be serviced by HSBC Australia under the existing terms and conditions until the transfer to Pepper Money.

Importantly, the interest rate, fees, discounts and repayments you have with HSBC will transfer across to Pepper Money. After the transfer, Pepper Money will manage and service these loans.

Some terms and conditions will need to be updated as part of the transfer to reflect regulatory requirements and differences in Pepper Money's processes. Rest assured, you'll be notified ahead of any changes.

Will I have to pay any fees for this transfer?

There are no fees for transferring your home loan, personal loan or personal credit line from HSBC to Pepper Money.

Do I need to do anything?

No, you don't need to do anything right now. Your home loan / personal loan / personal credit line will continue to operate as it does today. The service and ongoing support for your loan is expected to transfer to Pepper Money in the first half of 2027, subject to regulatory approval.

We'll be working closely with the Pepper Money team to help enable a smooth transition and continuity of service.

Please refer to the HSBC Australia website for the most current information about the announcement, including answers to Frequently Asked Questions.

Can I opt-out of moving my home loan?

We understand you may have questions about the change, however, you can't opt-out of the transfer. If you still hold a loan at the time of transfer, it will move to Pepper Money, who will manage and service it from that point on.

Importantly, the interest rate, fees, discounts and repayments you have with HSBC will transfer across to Pepper Money. After the transfer, Pepper Money will manage and service these loans.

If you don't want to transfer your loan, you can choose to refinance or pay out your loan before the transfer.

Who do I contact before and after the transfer?

Before the transfer: Contact HSBC. Our customer service teams will remain available to support you through this time. To contact us, please visit hsbc.com.au/help/contact/

After the transfer: Contact Pepper Money, as they'll manage any questions or support you need.

How can I verify if communications are from HSBC and not a scam?

Copies of emails and letters sent to customers about the announcement will be available on the HSBC Australia website (hsbc.com.au/help/important-notices/), so you can use these to check that the communications you've received are from us.

Stay alert. Keep your money safe from scams

Scammers may take this opportunity to contact you pretending to be from HSBC or Pepper Money. Here’s some useful tips to protect yourself from scams:

- Be highly suspicious if you're unexpectedly asked to move money or take urgent action.
- If you receive a call always use Call Verify on your HSBC mobile banking app to confirm whether the person you’re speaking to is from HSBC. More details on the Call Verify feature can be found at the Fraud and Scams prevention hub on our website
- Always contact us through official channels listed on our website or through the HSBC mobile banking app
- Never share your PIN, passwords or security codes with anyone, even if they claim to be from HSBC or Pepper Money.

What happens to existing applications? Will you honour my pre-approval, conditional approval and unconditional approval?

If you've already submitted your home loan application, we'll continue to review it in line with our standard policies and processes.

We'll continue to honour valid pre-approvals, conditional approvals and unconditional approvals, subject to HSBC Australia's lending criteria and expiry dates.

If you have a pending personal loan application, it will be withdrawn and we’ll remove any credit bureau enquiries related to this application.

What about my home loan variation?

If you’re currently making a change to your loan, it will continue to be processed as usual. Loan variations like changing your repayments schedule or loan period will continue to be reviewed and managed by HSBC up until the transfer, with Pepper Money taking over after that point.

What if I have a non-Australian dollar loan?

Importantly, the interest rates you have for any loans with HSBC (Australian dollar and non-Australian dollar) will transfer across to Pepper Money.

You’ll still be able to access and manage your account online.

You won’t have access to redraw after the transfer to Pepper Money.

Customer service

Our customer service teams will remain available to support you through this time. Always contact us through official channels listed on our website or through the HSBC mobile banking app.

Online

You can continue to self-service through the HSBC Australia app and Online Banking.

Phone

You can call us on **1300 308 008** (+61 2 9005 8220 from overseas).

Branches

Over the next 18 months, all HSBC branches in Australia will close in a phased manner. You can find your closest available branch and the latest branch closure dates on our website.