What you need to know about your home loan transfer

Your HSBC home loan is expected to transfer to Pepper Money in the first half of 2027, subject to regulatory approval.

This letter outlines how the transfer will work, what it means for your home loan features, and any steps you may need to take.

The transfer of funds in your offset accounts

What you need to know

You will be able to continue having the benefit of your offset funds reducing the interest on your loan after the transfer. To do so, you'll need to consent to HSBC transferring your eligible offset balance into a Pepper Money offset sub-account. You will not be charged a fee to transfer the eligible offset balance to Pepper Money.

Providing your consent won't affect your ability to access or use your HSBC offset account before the transfer.

We'll contact you with step-by-step instructions in upcoming communications.

Key differences between an HSBC offset account and a Pepper Money offset sub-account

	HSBC Offset Account	Pepper Money offset sub-account
The interest benefit	Your offset account or offset sub-account balance reduces the total balance of your loan that you pay interest on, lowering your interest costs.	
How can I access my funds?	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 • HSBC branches	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
Are the funds in my offset separate from my loan?	Yes – your offset funds are in a separate HSBC deposit account linked to your home loan.	Yes – your funds sit in a sub-account that is structured as a separate split account within your loan.
What about the Financial Claims Scheme (FCS)?	In the unlikely event that HSBC were to fail, the FCS would apply to the funds in your offset account. This protection covers up to a maximum of AUD250,000 across all of your accounts held with that bank.	In the unlikely event that Pepper Money were to fail, any money you hold in the offset sub-account would reduce (be set off against) your home loan balance. Home loan accounts, including the offset sub-account, aren't designed to hold funds above the amount outstanding on your home loan, so there are no additional funds that would need protection.
What about my tax position?	Your offset account or offset 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.	
Important information	Before the transfer, you'll receive detailed information about the option to transfer the balance in your HSBC offset account to a Pepper Money offset sub-account.	

What happens when you consent to the transfer of your HSBC offset

- If you provide consent, we'll transfer your offset balance to a Pepper Money offset sub-account when your home loan transfers.
- If your offset balance is more than your loan balance, we'll only transfer an amount equal to your loan balance. Any extra funds will stay in your HSBC account.
- When your home loan transfers, your HSBC offset account will be delinked and changed to an HSBC transaction account.
- If your HSBC offset account is in more than one name, all account holders will need to authorise the transfer of the offset balance.
- You'll need to acknowledge you have read Pepper Money's offset sub account terms and conditions, which will be provided to you in the consent process.

How will I give consent to transfer my offset balance?

- You'll be able to provide consent through HSBC Online Banking, Mobile Banking, a digital form or a paper form.
- We'll send detailed instructions on how to provide consent in a future communication. If you need assistance with this process, please contact us.

If you do nothing

If you don't consent to the transfer of your offset account balance to Pepper Money by the time of the transfer:

- Your home loan will still transfer to Pepper Money.
- Your HSBC Offset account will be de-linked and changed to an HSBC transaction account.
- Your balance will remain in your HSBC transaction account and will no longer offset your transferred loan.
- As a result, you may pay more interest on your transferred loan because your offset balance will no longer reduce the interest calculated on your transferred loan.
- You can still open an offset sub-account with Pepper Money at any time after the transfer.

Redraw Facility – for your Australian Dollar (AUD) loan/s

What you need to know

If you have access to redraw before your home loan transfers to Pepper Money, you'll continue to have access to redraw after the transfer, once all parties (including any guarantors) to your loan have provided their consent by accepting Pepper Money's terms and conditions.

What happens if redraw isn't activated after the transfer?

Your home loan will still transfer to Pepper Money. However, you won't be able to access redraw until all parties (including any guarantors) to the loan have provided their consent.

How do I provide consent to access redraw?

Each party to the loan will need to provide their consent via Pepper Money's mobile app, customer portal or by contacting their call centre.

Pepper Money will provide you with detailed instructions in a future communication after the transfer.

Redraw Facility – for your Foreign Currency loan/s

What you need to know

When your foreign currency home loan transfers, Pepper Money will continue to provide redraw in line with your existing contractual agreements.

To access redraw on your loan after transfer, all parties (including any guarantors) to the loan will need to provide their consent. Under your current loan arrangements, redraw requests can only be made in line with the three-monthly rollover of your facility.

If you have any questions about your existing redraw facility or these changes, please contact us.

What the transfer of your loan means for your automated repayments: direct debit and Standing Instructions

What you need to know

A direct debit is an arrangement that allows your home loan repayment to be collected automatically from your nominated account.

- In most cases, your direct debit arrangement will move with your home loan when it transfers to Pepper Money, and your repayments will continue by direct debit.
- What you need to do depends on the account your repayments currently come from.

A standing instruction is a repayment arrangement that you have set up through your bank to transfer a set amount to your home loan on a regular schedule. Unlike a direct debit, the payment is initiated by you rather than being collected automatically by HSBC.

- Because standing instructions are not direct debit arrangements, they won't transfer automatically when your home loan moves to Pepper Money.
- Once Pepper Money provides your new loan account details, you will need to update or set up a new standing instruction using those new details so your repayments continue as expected. **We'll let you know if any action is required.**

Here's what you need to know about paying your home loan via direct debit after it transfers to Pepper Money.

Your direct debit is paid from a non-HSBC account

Nothing changes. Your existing direct debit repayments will continue as usual after your loan transfers to Pepper Money.

Your direct debit is paid from an HSBC transaction or savings account

Your direct debit arrangement will transfer to Pepper Money with your home loan.

We'll pass your direct debit details onto Pepper Money, and your home loan repayments will continue.

Closer to the date, we'll send you a separate direct debit transfer notice explaining how your arrangements will move to Pepper Money and whether you need to do anything.

Your direct debit is paid from an HSBC offset account

When your loan transfers, your offset account will be delinked from your loan and become an HSBC transaction account, and we'll pass your direct debit details onto Pepper Money. You'll need to ensure your transaction account (your delinked offset account) has enough funds to cover your loan repayments.

Closer to the date, we'll send you a separate direct debit transfer notice explaining how your arrangements will move to Pepper Money and whether you need to do anything.

You don't have a direct debit set up on your loan account

What you need to know

You'll receive your new home loan account details after the transfer of your home loan to Pepper Money.

What you need to do

Please arrange to make your repayments by the due date using an alternative payment method, such as a bank transfer.

If your home loan is currently in credit, here's what you need to do

If your loan has a credit balance (you've paid more than you owe), you'll need to move the full credit balance out of your loan before it transfers. This is because Pepper Money isn't an Authorised Deposit-taking Institution (ADI) and can't hold a credit balance on your home loan.

You can move the credit balance to another transaction account using the Mobile Banking app, Online Banking, by phone, or by visiting an HSBC branch.

What happens if your home loan balance is in credit before the transfer?

If you haven't reduced your available loan balance to $0 (or less) before the transfer, your loan will transfer to Pepper Money. However, any credit balance will stay with HSBC.

If you have an HSBC transaction or savings account, HSBC will transfer the credit balance to your HSBC account. If you don't, HSBC will be in contact with you.

Further information will be provided to you about this in a future communication.

Fees, refinancing costs and getting advice

- HSBC and Pepper Money won't charge fees for the transfer of your loans or funds from HSBC to Pepper Money.
- If you decide to refinance to another lender, depending on the loan, there may be costs, such as break costs for fixed rate loans and discharge-related fees. If you're considering refinancing, you should speak to your relationship manager, broker, or contact HSBC, to check what costs may apply for your situation.
- For help understanding your options, please see the **More Information** section below.
- If you're unsure about the tax implications of the transfer, we recommend seeking independent advice. HSBC cannot provide you with tax advice.

More information

For more information about your home loan, consumer protections and what to expect during the transfer, visit the Important Notices page on the HSBC Australia website. You can also visit the Pepper Money website and search for HSBC to learn more.

We're here to help

Our customer service team remains available to support you until the transfer. You can continue to use the HSBC Mobile Banking app, HSBC Online Banking or your local branch.

Phone: 1300 308 008 (+61 2 9005 8220 from overseas).

Premier customers: 1300 301 168 (+61 2 9005 8192 from overseas).

If English isn't your first language, just say "I need an interpreter" when you contact us. 如果英语不是您的第一语言，当您联系我们时，只需用英文说 "I need an interpreter"（意思为"我需要一名口译员"），即可获得口译服务。您也可以通过汇丰澳大利亚网站的"重要通知"（Important Notices）页面获取最新信息。

For more information on how we can offer extra care support when you need it, please visit the Extra Care page found on our HSBC Australia website.

Stay alert: protect yourself from scams

Scammers may take this opportunity to contact you pretending to be from HSBC or Pepper Money.

- Be highly suspicious of unexpected or urgent requests to act or move money.
- Use Call Verify in the HSBC Mobile Banking app to check if a caller is from HSBC.
- Only contact HSBC through official channels listed on its website.
- Never share your PIN, passwords or security codes, even with someone claiming to be from HSBC or Pepper Money.

More information on Fraud & Scams prevention can be found on our HSBC Australia website under Help & Support.

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