

Dated 19 July 2020

HSBC Personal Loan Terms

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PART A: OUR CREDIT GUIDE

CREDIT GUIDE – HSBC Bank Australia Limited

What’s this document and what does it apply to?

This credit guide belongs to HSBC Bank Australia Limited ABN 48 006 434 162 (“we”, “our” or “us”) Australian Credit Licence 232595, and provides important information that applies to our personal loan product.

If you have questions about this credit guide or our personal loan product, you can contact us:

 GPO Box 5302 Sydney NSW 2000

 132 152

 www.hsbc.com.au

What if the credit is unsuitable?

Then by law we’re not allowed to enter into a credit contract if the credit is ‘unsuitable’.

When will credit be unsuitable?

The credit contract will be unsuitable if:

- it doesn’t meet your requirements and objectives; or
- you’re likely to be unable to comply with the financial obligations; or
- you could only comply with your financial obligations with substantial financial hardship (for example, by selling your principle place of residence); or
- the regulations deem the credit contract or credit limit increase to be unsuitable.

How do we assess if the credit will be unsuitable?

We must make reasonable inquiries about your requirements and objectives, and your financial situation, and take reasonable steps to verify your financial situation.

What if we approve your credit?

Then you may request a free written copy of your assessment up to seven (7) years after the agreement date or credit limit increase.

When do we have to give you the written assessment?

If you request a copy of the written assessment:	Then we'll give it to you:
Before you enter into the contract	Before you enter into the contract
Within 2 years of you entering into the contract	Within 7 working days
After 2 years of you entering into the contract	Within 21 working days

When don't we have to give you the written assessment?

We don't have to give you a copy of the written assessment if we decline your application, or we don't proceed with lending to you or increasing your limit.

What if you've got a complaint?

Please let us know and we'll do our best to resolve your complaint efficiently, honestly and fairly to your satisfaction.

You can contact us:

- ✓ through a branch; or
- ✓ by calling 132 152 (toll free) or +61 2 9005 8511 (from overseas, you may be charged by the telephone provider); or
- ✓ if you are hearing impaired, by calling 133 677 and asking for 132 152; or
- ✓ if you are a speak and listen (speech to speech relay) user, by calling 1300 555 727 and asking for 132 152; or
- ✓ by visiting <https://www.hsbc.com.au/help/contact/>; or
- ✓ by emailing our Customer Relations Team at customerrelationsaustralia@hsbc.com.au or by mail at HSBC Bank Australia Limited, Tower 1 International Towers Sydney, 100 Barangaroo Avenue, SYDNEY NSW 2000.

When we'll investigate a complaint or transaction query?	Immediately and within 21 days of receiving this complaint.
What we'll do next?	We'll write to you explaining the outcome of our investigation or let you know if more time is needed to complete the investigation. Unless there are exceptional circumstances, we'll complete our investigation within 45 days of receiving your complaint.
What happens if we can't resolve the complaint?	If we're unable to resolve your complaint within 45 days we'll write to you and inform you of the reasons for the delay and provide you with monthly updates, and an estimated resolution date, as well as your right to escalate your complaint to the Australian Financial Complaints Authority (AFCA) scheme.

If you're unsatisfied with our resolution or our complaints process, you may either:

- (a) ask for your complaint to be reviewed by our HSBC Customer Advocate by emailing hsbc.customer.advocate@hsbc.com.au; or
- (b) contact the Australian Financial Complaints Authority. This is a free service established to provide you with an independent mechanism to resolve specific complaints. AFCA can be contacted by mail: GPO Box 3 MELBOURNE VIC 3001; by phone 1800 931 678; by email at info@afca.org.au; and online at www.afca.org.au

PART B: PERSONAL LOAN TERMS

HSBC Bank Australia Limited ABN 48 006 434 162
GPO Box 5302 Sydney NSW 2000
Australian Credit Licence 232595

At HSBC we're committed to delivering the best service outcomes to all our valued customers. You must read these terms carefully.

1. WHO'S THIS AGREEMENT BETWEEN?

You	We/Us/Our
You means the person stated as the borrower in the letter of offer.	HSBC Bank Australia Limited ABN 48 006 434 162 GPO Box 5302 Sydney NSW 2000 Australian Credit Licence 232595 T: 132 152 www.hsbc.com.au

2. WHAT FORMS THE AGREEMENT BETWEEN US?

Terms	Where you'll find them
Terms specific to your personal loan	Any variation to this agreement we make with you, where we don't give you a new letter of offer. Your letter of offer . These Personal Loan Terms .
Fees, charges and interest rates and other details	Your letter of offer.
General terms that apply to all accounts (including personal loans)	The Personal Banking Booklet .

If you are an existing personal loan customer, the terms in this document will replace any agreement terms for your personal loan you have previously agreed to once any agreed notice period ends.

If different parts of our agreement don't work together (for example because one part says something different to another part) then, so far as laws and regulations and any code we're supposed to follow allow, the terms in the document that first appears higher in the table above will apply over a document that first appears lower in the table.

3. WHEN WILL THIS AGREEMENT BEGIN AND END?

This agreement is legally binding on you if and when you accept your letter of offer. However:

- you must accept within 14 days of the date of your letter of offer; and
- you may change your mind about borrowing the loan amount any time up to the date we send funds to you by giving us written notice; and
- we're not bound to lend until you've met all our reasonable conditions.

This agreement will end when you have paid all you owe in full, or we notify you that the agreement is terminated in accordance with this agreement.

4. HOW AND WHEN WILL WE FUND YOUR LOAN?

4.1 To fund your loan we'll need:

- ✓ your electronically signed letter of offer; and
- ✓ any information and supporting documents we've requested from you; and
- ✓ to verify your identity.

4.2 We'll pay the loan into the account you've told us in your application.

4.3 We don't have to give the loan to you if:

- we reasonably suspect or discover that anything you have told us is materially untrue, or any of the promises you have made under this agreement are materially untrue, and the truth makes it commercially undesirable or potentially harmful to lend, or continue to lend you; or
- we reasonably consider that lending, or lending further may cause harm, or place you in a financial hardship position; or
- another event occurs, and acting reasonably, we take the view that it is likely to be detrimental to either party to proceed.

4.4 You must only use the loan for the purpose in your application.

5. HOW DO WE WORK OUT AND CHARGE INTEREST?

5.1 Interest starts to apply to your loan account balance daily, from the day we give you the funds until all amounts due under the loan are fully repaid.

5.2 Your daily interest rate is calculated by dividing your annual interest rate applicable at the time by 365. Your interest rate is applied daily on the balance of all you owe at the end of each day (which includes any unpaid fees and charges).

5.3 We'll charge the interest we've calculated on all you owe for the repayment period on your repayment date for that month and on the date of your final repayment.

5.4 The total of each days' interest during each repayment period is added, and charged on your next repayment date, and on the date of your final repayment.

All you owe

This is everything you owe us including your loan, charges, fees and interest and any other amount we are entitled to charge you.

5.5 If that day is a non-working day, the charge will instead be made on the next working day after the repayment date. Clause 9 of the Personal Banking Booklet sets out what is a working day.

5.6 If you don't make a repayment in full or on time, you'll pay more interest as you won't be paying down the loan as much.

6. WHEN AND HOW MUST YOU REPAY THE LOAN?

6.1 You'll need to pay us back all you owe by the end of your loan term, or a later date we agree in writing.

6.2 You must make each monthly repayment on the repayment date set out in your letter of offer, and in full, without setoff. Your repayments will be used to repay any unpaid fees and charges, then any unpaid interest and principal.

6.3 If a repayment date is:

- a non-working day, you must make the repayment (or we'll collect it) on the next working day; or
- a date that doesn't fall in a month (e.g. 29th, 30th or 31st), you'll need to make it on the last day of that month (or the next working day if the last day is not a working day).

6.4 We apply your payment when we receive it. We treat your payment as being received when it is cleared. To meet your repayment dates, you may need to make early repayments to allow for processing time, for example cheque clearance time, or slower processing on non-working days. If your payment is dishonoured or is not received by the repayment date, you may be charged a late payment fee.

6.5 If you miss a repayment, your next repayment will increase by the amount that you didn't pay, and any fees and charges that may apply.

- 6.6 Interest may also be charged to your loan account the month after you make your final repayment. This is to collect any interest which was not calculated in your final repayment but is interest you still owe us.
- 6.7 If you repay more than you owe, we'll close the loan account and return the amount you overpaid to another account you hold with us or by sending you a cheque.
- 6.8 You can give us a signed direct debit request and authority or another authorisation we accept, and authorise us to debit all repayments, fees and charges until your loan is repaid in full. We may also allow you to make payments, check your balance and change your personal information from online banking if you have registered for this service.
- 6.9 If you don't pay a repayment in full, and by the repayment date, then:
- (a) you will be in default of your payment obligations under this agreement until you have paid the overdue amount, and any associated interest, fees and charges; and
 - (b) you'll need to pay the missed repayment immediately; and
 - (c) we may take any action available to us under this agreement, or at law.

7. CAN YOU PAY MORE THAN YOUR MONTHLY REPAYMENT?

- 7.1 You can pay more than your monthly repayment. If you do, your future repayments will stay the same (as they are fixed amounts) but you may repay your loan sooner.
- 7.2 If you repay part or all of your fixed rate loan early, then we may charge you an early termination fee. This fee is described in your letter of offer.
-

8. COMMUNICATING WITH EACH OTHER

- 8.1 Your Personal Banking Booklet contains information about how we can communicate with each other, including electronically in accordance with any electronic consent you give. Any notice you give us should be in writing unless we tell you that it is acceptable to give us notice in another method.
- 8.2 By signing your agreement, you consent to us giving you documents and other notices that we are required to give you by electronic communication. By giving written consent, we may no longer give paper documents and notices unless required by law, you will need to regularly check your electronic communications, and you acknowledge that you can withdraw your consent at any time by contacting us.

Depending on your account, the nature of the notice, and other factors, we will choose the most appropriate method of electronic communication. For example, sending a notice by email, making a document available online or sending a document to a secure e-message facility on online banking. You must keep your electronic details up to date. We recommend you regularly check your emails and keep a record of important documents.

9. WHEN CAN WE MAKE CHANGES TO THIS AGREEMENT?

9.1 Acting reasonably, we may make changes to this agreement, but we will not change your interest rate or the early termination fee. These are fixed for the loan term. Our reasons for making other changes, and any notice period, are set out in the letter of offer and in the Personal Banking Booklet.

If you do not wish to accept a change or variation that we make, you may repay your loan in accordance with the early repayment provisions in this agreement. An early termination fee may apply.

10. ENDING THIS AGREEMENT ON NOTICE

10.1 You can end this agreement at any time by giving us notice. You don't have to tell us why. You must repay all amounts that you owe us under the loan which includes for example the amount borrowed, interest and relevant fees such as the early termination fee. We can also end this agreement at any time by giving you written notice if you don't owe us any money.

11. WHAT HAPPENS IF YOU'RE IN DEFAULT UNDER THIS AGREEMENT?

If anything in the left column of the below table happens, you'll be in default under this agreement and we can do what's in the right hand column. If any law or code requires us to do so, we'll write to you before we do any of these to tell you that you're in default under this agreement, what you need to do to fix it and what will happen if you don't fix it within 30 days.

If any of the following happens:	We can do any of the following:
You haven't made a required payment under this agreement.	Call up your loan and demand that you pay us all you owe, or
We reasonably believe you have fraudulently entered into this agreement.	
You are insolvent, is unable to meet your debts as they fall due, are subject to another insolvency process or arrangement, or no longer have legal capacity.	Take any action available to us at law, including ending this agreement, or
We have a reasonable belief that you haven't complied with the law or a government requirement which potentially materially affects us.	Take money in any one or more of your accounts to pay us what we're owed, as permitted under clause 43 of the Personal Banking Booklet, or
It becomes unlawful for you or us to continue under this agreement.	
You use the loan for a purpose materially different from what we've approved.	
You give us information or make a representation or warranty to us which is materially incorrect or misleading, including where you've omitted to tell us something, and we've relied on this to our detriment.	Charge you any late payment fees and incur and pass on reasonable enforcement expenses.
There's a material change to your financial situation which we reasonably believe will affect your ability to meet your obligations under this agreement, such as your death, incapacity, insolvency, or enforcement action by a creditor.	

If any of the following happens:	We can do any of the following:
We reasonably believe that we were induced by fraud by you to enter into this agreement.	Any of the above, but If we call up your loan and demand payment of all you owe, we don't have to give you any notice or wait for the expiry of a notice period.
We have failed, after making reasonable attempts, to locate you.	
A court authorises us to call up the loan without giving notice.	
<p>Except where you've missed a payment we'll only act on any of the above events if it's material, or we reasonably consider the event has had, or is likely to have, a material impact on your ability to meet your financial obligations to us, or in some cases, our legal or reputational risk.</p>	

12. WHAT YOU TELL US BY ENTERING INTO THIS AGREEMENT

By entering into this agreement you're telling us the following statements of fact at the following times:

You tell us the following:	And you tell us those things at the following times:		
	Before you enter the agreement	Throughout the agreement	You undertake to tell us in the future
That all information you've given us is true and complete, and isn't materially misleading – information could be materially misleading as a result of something you haven't told us, or as a result of another action you've taken.	✓	✓	✗
You'll always use the loan for the approved purpose.	✓	✓	✗

You tell us the following:	And you tell us those things at the following times:		
	Before you enter the agreement	Throughout the agreement	You undertake to tell us in the future
You'll always notify us in a reasonable time of any event which would require you to repay immediately (see "When you need to repay immediately"), or any threatened, pending or actual litigation or anything else we reasonably require notice of.	X	X	✓
If you're a resident, or become a resident during the course of your loan, of a country other than Australia, the benefit of your loan won't be brought into, used to support a business in, or be used to buy income producing assets in, that country, unless permitted by law*.	✓	✓	X
If you're a resident, or become a resident during the course of your loan, of a country other than Australia, any interest payable won't be claimed as a deduction (or other relief) against any income tax that you need to pay in any country other than Australia, and any interest payments won't come from income derived by you in that country, or be sent by you from that country, unless permitted by law*.	✓	✓	X

*You're responsible for obtaining your own tax advice – for more information, see "Tax" in the Personal Banking Booklet.

13. HOW CAN WE CONTACT EACH OTHER?

13.1 Contacting us

Below are the details you will need if you want to get in touch with us (e.g. to change your details or to tell us about any difficulties you have making payments) you can:

- ✓ write to us (see our postal address in the Credit Guide at the front of this document); or
- ✓ visit any one of our branches; or
- ✓ call us on 132 152 (from Australia) or +61 2 9005 8511 (from overseas, you may be charged by the telephone provider); or
- ✓ Text phone: TTY or computer with modem users: Call 133 677, then ask for 132 152. Speak and listen (speech to speech relay) users: Call 1300 555 727, then ask for 132 152.

For more information about how to contact us or give us notice, or how we may contact you, see clause 45 of the Personal Banking Booklet.

13.2 STATEMENTS

We'll only provide monthly statements. See clause 25 of the Personal Banking Booklet for how we send statements.

You may request a new statement. We may charge a fee for this.

14. OTHER TERMS

14.1 What happens if you become bankrupt or die?

If you become bankrupt, your estate will be accountable to the same extent as you were.

If you die, your estate:

- (a) must repay any amount you owe us; and
- (b) will receive any positive balance in your loan account; and
- (c) can give us instructions through the executor(s).

14.2 What law applies?

This agreement is governed by the laws and regulations of New South Wales. You accept the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales.

If you aren't an Australian resident, you may be required to appoint an agent for service of process in Australia.

14.3 Fees and charges

IMPORTANT INFORMATION ABOUT OUR FEES AND CHARGES

All fees and charges shown are in Australian dollars (AUD) unless otherwise stated.

You can find information about our fees and charges in your letter of offer. Some of these may change during the course of your loan. We will notify you if this happens. Details of our current fees and charges can be found online at www.hsbc.com.au. We'll also provide information on fees and charges on request.

Taking fees and charges from your account

We'll take from your account:

- all fees and charges that apply (including our reasonable enforcement expenses); and
- any government fees, costs, taxes and duties on receipts or withdrawals in relation to the account or account documentation (this includes stamp duty where it is applicable).

We'll normally take our fees and charges at the time the event occurs.

If we decide not to charge a fee or cost that we're entitled to charge, we don't waive that fee or the right to charge that fee or cost in the future.

If your personal loan is regulated under the National Credit Code, we are required to provide you with an important information statement. This is in Part D of the Personal Banking Booklet. Please read it carefully.

Issued by
HSBC Bank Australia Limited
ABN 48 006 434 162
AFSL/Australian Credit Licence 232595
GPO Box 5302 Sydney NSW 2000
T: 132 152
W: hsbc.com.au