

Defcredit Products and Services Conditions of Use

Effective date
1 January 2010



Defcredit
Service banking

CONDITIONS OF USE

This document contains Terms and Conditions for:

Savings Accounts

Basic Access

Budget Savings

Cash Management

Christmas Savings

First Home Saver Account (FHSA) - Please refer to FHSA PDS

Flexi Term

General Insurance Savings

Investment Savings

I-Saver

Kids Club

Max-E Saver

Mortgage Breaker

National Access

Pensioner Deeming

Term Deposits

Term Deposit 30 days - 24 months

Transaction Products

Electronic Banking – Defcredit Direct

Online Banking

Telephone Banking

BPAY[®]

Visa Debit Card

Redicard

Other Transaction Products / Payment Services

Direct Debits

Direct Credits

Auto Transfers

Member Cheques

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Introduction

Defcredit's Products and Services Conditions of Use (DPS) contains important information about Defcredit savings accounts, accounts, term deposits and transaction products. The DPS has been prepared to assist you in understanding the range of products we offer to members of Defcredit. The information contained in this DPS will assist you to make an informed decision on whether to use any of the products covered by this DPS.

Definitions

In this DPS:

"Defcredit", "we", "us" or "our" means Defence Force Credit Union Limited.

"Defcredit Direct" refers to Defcredit's Online and Telephone Banking products referred to in Part 4.

"you", "your" or "member" means the Defcredit member utilising a product referred to in this DPS or any person authorised to act on behalf of the Defcredit member.

"account" means a Defcredit Savings Account or Defcredit Term Deposit.

"available balance" means the amount of any funds credited to your account but excluding;

- Deposits received but not cleared
- Interest accrued but not credited
- Deposits in transit
- Visa transactions not yet debited.

"billor" means any person authorised by you to conduct a direct debit to your Defcredit account.

"business day" means a day other than a Saturday or Sunday or a public holiday.

"direct debit request" means the request between you and the biller authorising the biller to have funds debited from your account with Defcredit.

IMPORTANT – READ DOCUMENTS.

**YOU SHOULD READ THIS DPS CAREFULLY.
ALWAYS RETAIN A COPY FOR FUTURE
REFERENCE.**

Application of this DPS

This DPS will apply immediately to any person who acquires one of the products referred to in it, after the issuing of the DPS and for persons who have already one of these products, 30 days after notification of it is given.

If the law implies any Terms and Conditions in relation to the products covered by this DPS which cannot be excluded, Defcredit's liability

under those implied Terms and Conditions will be limited to the maximum extent permitted by law.

In the event of any inconsistency between this DPS and any other Terms and Conditions applying to the products covered by this DPS, including those implied by law, the DPS to the extent permitted by law shall prevail.

Mutual Banking Code of Practice

We subscribe to the Mutual Banking Code of Practice (MBCOP), which is the industry code of *Abacus - Australian Mutuals*, the association of credit unions and mutual building societies.

In adopting the MBCOP, we have agreed to abide by the provisions of the MBCOP to the extent that they are not inconsistent with the Corporations Act. A copy of the MBCOP is available upon request or on our website.

PART 1. GENERAL INFORMATION

SECTION 1 – ACCOUNT OPENING

Account Opening Procedures

In accordance with the *Anti-Money Laundering / Counter-Terrorism Financing Act 2006 (Cth)*, we are required to verify the identity of all our members before we can offer our products and services.

This usually involves collecting information about you, such as your name, address and date of birth and verifying that information against certain documents that you provide to us. These documents may include your current drivers licence or passport etc.

Defcredit reserves the right to provide a savings account to you and set the interest rate, maximum deposit and minimum deposit amounts.

Taxation Implications

Income Tax

Under the *Income Tax Assessment Act 1997*, tax may be payable on any interest earned on monies deposited in your account.

Tax File Number

You are not obliged to disclose your tax file number to us. However, if you do not then we are obliged by law to deduct tax from any interest that you earn at the highest marginal rate plus the Medicare levy

Joint Accounts

Accounts may be conducted jointly with another person or persons in the names of individuals or in the name of a business.

The following conditions will be applied to jointly operated accounts:

- Deposits may be accepted which are payable to one or both of the account holders

- The liability for debts or overdrawn amounts is both joint and individual. For example; you will be jointly and individually liable should the account become overdrawn as the result of member cheque(s) being paid in the absence of funds.
- Upon account opening you will be required to complete in writing an account signing authority which will specify who can operate the account. For example an account in joint names can be operated on an any one account holder to sign or both account holders to sign basis.
- If one of the parties should die then any remaining balance shall be paid to the survivor.
- Any changes to who can operate the account will need to be in writing and signed by all account holders.
- If Defcredit is notified in writing of a dispute between joint account holders, we may require all joint account holders to sign to operate the account.
- Defcredit can send statements of account, changes to the DPS and other notices by mailing them to the first named account holder at the address recorded by Defcredit for the service of notices.

SECTION 2 – ACCOUNT OPERATION

Account Signatories

You will be required to provide us with instructions regarding who will have authority to sign for your account and if there are to be any account relationships. We will provide you with a form to detail these instructions at the time of opening the account.

Deposits and Withdrawals

Deposits

Deposits to accounts may be made:

- In person at a branch
- In person at a National Australia Bank branch (NAB may charge a fee for this service). You will need to supply BSB 083-422 together with a link number which will direct the deposit to your specific Defcredit account. The link number is available by calling 1800 033 139, or from your Defcredit branch
- In person at Bank@Post outlets (a Visa or Redicard is required)
- By Direct Credit or Internal Transfer
- By Inward Electronic Transfer
- By Mail (cash should not be forwarded by mail).

Withdrawals

Withdrawals from accounts may be made:

- In person at a branch
- In person at Bank@Post outlets (Visa or Redicard required)*
- By personal cheques (if member chequing is available on your account)
- By Defcredit Corporate cheque
- By Visa transactions through merchants
- By Automatic Teller Machines (ATMs) and Point of Sale (POS) terminals (Visa or Redicard required)
- By overseas telegraphic transfers
- By authorised Direct Debits
- By authorised Auto Transfers
- By Online Banking – cheques or electronic transfer
- By Telephone Banking
- By BPAY.

Right of Set-Off

If you have more than one account (including a loan account) with us, we may set off the credit balance of any of your deposit accounts against any debt owing by you to Defcredit from time to time. This means that we can transfer money from one account to another if one or more deposit accounts are overdrawn without prior authorisation, or a loan repayment has not been made. We will inform you if we exercise this right of set-off.

Overdrawn Accounts

You cannot overdraw your account without our prior agreement. Any amount overdrawn without prior agreement is repayable immediately. We may at our discretion allow the overdrawing of an account and impose a fee each time we permit an account to be overdrawn, or for a debit balance to increase once it is already overdrawn.

Change of Account Details

Members should notify Defcredit promptly of any changes to their account details, including change of name, address, telephone number or email address. Defcredit will not be responsible for any errors or losses associated with changes to a members account details where Defcredit has not received prior notice.

Closure of Accounts

Requests to close accounts must be signed in accordance with the Account Signing Authority.

All unused cheques (no refunds) and Visa or Redicards must be surrendered for cancellation prior to closure. Direct debits and direct credits attached to the particular account must be cancelled.

Similarly, requests from one joint account holder where the account signing authority is “either to sign” to change to “all to sign” can only be accommodated where all unused cheques (no refunds) and Visa or Redicards are surrendered. Direct debits authorised by one account holder must also be cancelled.

Dormant Accounts

If you have not initiated a transaction on your savings accounts for a period of more than 12 months, the accounts will be classified as dormant and an annual maintenance fee may apply. For details refer to the Fees and Charges Schedule. No interest will be paid on dormant accounts. Accounts declared dormant may result in your membership with Defcredit being terminated. You may apply to have your membership reinstated.

Statements

Account statements are issued on the following basis:

Statement Name	Statement Cycle
Credit Card Statement	Issued on a monthly basis
Visa Overdraft including Smart Mover and Flexi Plus Statement	Issued on a monthly basis
End of Month Statement (other than for loan types listed above)	Issued on a monthly basis by request. A charge applies for this service.
End of Quarter Statement	Issued on a quarterly (three monthly) basis.

Statements are also available via Defcredit Online Banking (eStatement).

To receive eStatements you need to register via Defcredit Online Banking. Once registered you will no longer receive your statement via the post but will also be able to view any statement outside of the current statement period (classified as a previous statement).

You can also request archive statements which are previous statements greater than 12 months old. There is a fee payable for requesting over the counter at a branch, or viewing, archive statements via eStatements.

Applicable fees and charges are detailed in the Fees and Charges Schedule.

If you notice any errors or unauthorised transactions detailed in your statement, please notify us without delay.

SECTION 3 – VARYING TERMS & CONDITIONS

We are obliged to notify you of changes to this DPS in the following manner with respect to:

Variation	Period of Notice	Method of Notice
Introduction of a new fee or charge or increase in an existing fee or charge	30 days advance notice	In writing
Change to method by which interest is calculated or the frequency with which it is debited or credited adverse to the account holder	30 days advance notice	In writing
Increase in liability for losses for electronic banking transactions	30 days advance notice	In writing
Reduction in fee or charge	By date of change	In writing or by advertisement in the press
Change in interest rate	By date of change	In writing or by advertisement in the press
Change in penalty interest rate	By date of change	In writing or by advertisement in the press

SECTION 4 – COMPLAINTS AND DISPUTES RESOLUTION PROCESS

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

To make a complaint:

- call Defcredit on 1800 033 139,
- talk to staff at your local Defcredit branch
- email Defcredit at info@defcredit.com.au or
- send a letter to Defcredit's Complaints Officer by mail at:
PO Box 14537 Melbourne VIC 8001

For more information about Defcredit's complaints resolution procedures, please ask for the brochure entitled 'Complaints and Disputes Resolution Guide' at any Defcredit branch or log onto defcredit.com.au.

If you are not satisfied with the steps taken by Defcredit to resolve the complaint or with the result of Defcredit's investigation you are entitled to have your complaint resolved free of charge by Credit Ombudsman Service Limited (COSL), an external dispute resolution body of which Defcredit is a member. COSL may be contacted as follows:

Credit Ombudsman Service Limited
PO Box A252
Sydney South NSW 1235

Phone: 1800 138 422 or 02 9273 8400
Fax: 02 9261 2798
Email: info@creditombudsman.com.au
Website: www.creditombudsman.com.au

Alternatively, 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
GPO Melbourne VIC 3001

Phone: 1300 780 808
Email: info@sct.gov.au
Website: www.sct.gov.au

SECTION 5 – CONFIDENTIALITY & PRIVACY

The personal information Defcredit collects from you is to enable us to provide the financial products or services you require. If you do not provide us with complete and current details we may not be able to process your application or deliver the products and services you require effectively and efficiently.

We are obliged to protect the confidentiality of your personal information and to only disclose this information to other parties if necessary to provide the product or service you require, or as required by law. We may however, use the personal information collected from you to

inform you about other products and services we provide. If you do not want us to provide you with this information or if you wish to know more about our commitment to privacy please contact us.

Defcredit has adopted and abides by the National Privacy Principles which gives you rights to access personal information we hold about you. A copy of our Privacy Statement is available by visiting our website defcredit.com.au at your nearest Defcredit branch, or by calling 1800 033 139.

PART 2. SAVINGS ACCOUNTS SPECIFIC INFORMATION

Savings Account Product Matrix

The following matrix sets out relevant features for each savings account product:

Account Type	FEATURES									
	Visa/Redicard ATM/EFTPOS	O/draft Facility	Chq Book	B PAY	Bank@Post	Direct Entry	Corp Chq	Min Bal	Defcredit Direct Transfers	
Basic Access	X	X	X	✓	X	✓	✓	\$0	✓	
Budget Savings	X	X	X	✓	X	✓	✓	\$0	✓	
Investment Savings	X	X	X	✓	X	✓	✓	\$0	✓	
Christmas Savings	X	X	X	✓	X	✓	✓	\$0	✓	
General Insurance	X	X	X	✓	X	✓	✓	\$0	✓	
Max-E Saver **	X	X	X	✓	X	✓	X	\$0	✓	
Kids Club ***	X	X	X	X	X	✓	✓	\$0	X	
Pensioner Deeming #	✓	X	✓	✓	✓	✓	✓	\$0	✓	
Cash Management	X	X	X	✓	X	✓	✓	\$0	✓	
Flexi-Term	X	X	X	✓	X	✓	✓	\$0	✓	
National Access	✓	✓	✓	✓	✓	✓	✓	\$0	✓	
Mortgage Breaker +	X	X	X	✓	X	✓	✓	\$0	✓	
FHSA (deposits only)*	X	X	X	X	X	*	X	*	*	

I-Saver

Refer page 13

Please note: you may have to provide notice for large cash withdrawals. Please contact your local branch or call 1800 033 139 for details.

(Key to table)

* Refer to FHSA PDS

** transfers and withdrawals via Defcredit Direct Telephone or Online Banking only.

*** available to children under 13 years of age. Account to be held in child's name.

pension to be allocated directly to account.

+ offset 100% against balance of linked mortgage loan.

Interest

- Interest is calculated on the previous day's closing balance
- For savings accounts which have tiered interest rates specified in the Interest Rate Schedule, the higher rate is only available for the amounts specified in the Schedule
- Interest is credited as follows:

<i>Account Type</i>	<i>Interest Credited</i>
Basic Access, Budget Savings, Kids Club, National Access, General Insurance	31 March each year
Investment Savings	31 March and 30 September each year
Pensioner Deeming	Last day of February, May, August and November each year
Cash Management	Last day of each month
Max-E Saver	Last day of each month – at least one deposit and no withdrawals are required to be conducted during the month to receive bonus interest
Flexi Term	Last day of each month
Christmas Savings	31 October each year – interest is set for the period 1 January to 31 December
Mortgage Breaker	Account balance is offset 100% against linked mortgage loan
I-Saver	Refer page 13
FHSA	30 June each year

- The Interest Rate Schedule which details rates offered for each savings account and for tiered rates where applicable is available by visiting defcredit.com.au at your nearest branch, or by calling 1800 033 139.

Fees and Charges

The fees and charges applicable to Defcredit Savings Account Products are detailed in the Fees and Charges Schedule. Transaction fees may be charged (refer to the Fees and Charges Schedule for details of amount charged) for withdrawals from your Defcredit savings account, using the following access methods:

- Bank@Post
- PIN authorised
- Personal cheque book
- Bank cheque
- Corporate cheque
- BPAY transaction
- Online Banking transfer to external financial institution
- Cheques - online / over the counter.

The Fees and Charges Schedule is available, at your nearest Defcredit branch, by visiting defcredit.com.au, or by calling 1800 033 139.

Government Charges

We reserve the right to debit your savings account with any applicable government charges, including any government charges introduced after the account is established.

I-Saver

Features

This account can only be accessed for deposits and withdrawals via Telephone and Online Banking. The following transactions are not permitted:

- BPAY payments
- Cheque withdrawals
- External transfers
- Staff assisted withdrawals or transfers. *

* Staff are permitted to transfer the initial deposit only where the account holder is not yet registered, or has not yet received their requested password, for access via Defcredit Online Banking.

Interest

The standard interest is calculated on the previous day's closing balance and credited to the account on the last day of each month. The rate will be published on the Defcredit website.

Rates will be tiered, based as follows:

- less than \$5,000
- \$5,000 or more.

Where an account holder has \$5,000 or more in the I-Saver they will

receive the rate applicable to the higher tier currently on offer for the full balance. Refer to the Interest Rate Schedule for details of tier rates currently on offer. The Interest Rate Schedule is available by visiting defcredit.com.au at your nearest Defcredit branch, or by calling 1800 033 139.

Fees and Charges

Fees and Charges may apply to I-Saver accounts. Refer to the Fees and Charges Schedule for more information. Defcredit reserves the right to debit the account with any applicable government charges introduced after the account is established.

PART 3. TERM DEPOSITS SPECIFIC INFORMATION

Minimum Requirements

Term Deposits are fixed interest earning accounts, with agreed terms ranging from 30 days to 2 years. Interest is guaranteed for the period of the agreed term subject to you accepting our conditions of a minimum deposit, fixed period of investment and no withdrawals or additional deposits during the agreed term. The minimum deposit is \$1,000. Defcredit may also from time to time offer other Term Deposits, the conditions of which will be advised at the time of issue.

The interest payable will be dependent on the term and amount of the investment. The Interest Rate Schedule is available by visiting defcredit.com.au at your nearest Defcredit branch, or by calling 1800 033 139.

Conditions of Deposit

- Defcredit has the right to accept or refuse any deposit and to set the maximum or minimum amounts of a deposit and the term of the deposit
- Any withdrawal of funds held in a Term Deposit account prior to the maturity date requires our agreement and the agreement may be subject to reducing the interest rate payable on the Term Deposit
- If a Term Deposit is not renewed upon the expiry of its term, the amount held may be credited to your nominated savings account.

Certificate of Investment

Within a few days of opening the account, we will provide you with a Certificate of Investment, detailing the deposit amount, interest rate and term of the investment.

Reinvestment

Prior to the maturity of your Term Deposit you will receive a letter advising you of the approaching maturity. If you wish to vary the terms of the investment, your signed written instructions are required prior to the maturity date. Your request will be actioned on the maturity date. If we do not receive instructions from you, your deposit and interest will automatically be reinvested on the maturity date for the same term at the current published Term Deposit rate. If the same term is no longer available then the reinvestment will be for a published period closest in term to the original term. Any requests for variations to the terms of the investment actioned after the maturity date may incur penalty interest reductions.

A Certificate of Investment will be forwarded to you within a few days following maturity of your investment.

General Withholding Tax may be debited from your interest if a Tax File Number or ABN has not been provided.

Interest

Interest is calculated on the daily balance and paid at maturity or as detailed in the Certificate of Investment.

The interest rate applicable to the different terms and amounts of investment are outlined in Defcredit's Savings and Investments Current Interest Rate Schedule. A copy of the schedule is available by visiting defcredit.com.au at your nearest Defcredit branch, or by calling 1800 033 139.

Fees and Charges

The fees and charges applicable to Defcredit Term Deposit Products are detailed in the Fees and Charges Schedule. Transaction fees may be charged for withdrawals to your Defcredit Term Deposit account using any of the following access methods:

- Corporate Cheque
- Bank Cheque
- Electronic funds transfer to an external financial institution.

There are no fees payable to open a Defcredit Term Deposit Account.

Penalties

If we agree to allow you to redeem your Term Deposit prior to the expiry of the agreed terms a penalty will apply.

- **Term Deposits with \$100,000 or less or with a term of 2 years or less** – Withdrawals made prior to the expiration of the agreed term will result in the interest rate being reduced to a rate equal to the National Access Account, except where 6 months or more has passed since the last renewal/acceptance date of the deposit. In this case the interest rate will be reduced to 40% of the initially agreed rate.

- **Term Deposits greater than \$100,000 or with a term exceeding 2 years -**
 - if redemption is less than or equal to 50% of the term = 50% loss of interest
 - if redemption is greater than 50% and less than or equal to 90% of the term = 30% loss of interest
 - if redemption is greater than 90% and less than or equal to 99% of the term = 10% loss of interest.

Government Charges

We reserve the right to debit your Term Deposit account with any applicable government charges as a result of using a Defcredit Term Deposit account, including any government charges introduced after the account is established.

PART 4. TRANSACTION PRODUCTS & PAYMENT SERVICES SPECIFIC INFORMATION

- Online Banking
- Telephone Banking
- BPAY
- Visa Debit Card
- Redicard
- Direct Debits
- Direct Credits
- Auto Transfers
- Member Cheques.

SECTION 1 - ELECTRONIC BANKING – DEFCREDIT DIRECT

Defcredit's Electronic Banking products comprise:

- Online Banking
- Telephone Banking
- BPAY
- Visa Debit Card
- Redicard.

Benefits, Risks & Costs

The following is a summary of Electronic Banking Products –

Online Banking

Benefits

- 24 hours a day, 7 days a week access to Defcredit accounts via our website defcredit.com.au
- View account balances
- Print transaction listings
- Transfer funds to any other Defcredit accounts

- View statements of account
- Pay bills electronically via BPAY
- Receive bills via BPAY View
- Electronically transfer funds to another financial institution (credit card payments cannot be forwarded through this service)
- Request a corporate cheque withdrawal
- Personalise your own screen settings
- Activate your Defcredit Visa Card or Redicard
- Secure passwords are issued upon registration
- Online changes to account details and to remit funds electronically requires the use of a transactional authentication password.

Risks

- Need to ensure security of access to your account passwords
- Account operation via internet may incur unauthorised loss of funds if appropriate security precautions are not undertaken, such as installation of anti-virus, anti-spyware, firewall software and changing your passwords on a regular basis
- Risk of unauthorised access to your account if passwords can be easily identified
- Account holder may be liable for unauthorised transactions arising from a failure to properly secure passwords against loss, theft or misuse
- All precautions are taken in respect of online banking transactions, however the security of electronic transfer transactions can never be guaranteed, particularly in electronic media such as the internet.

Costs

- A fee applies for each electronic transfer and BPAY transaction to an external financial institution/biller
- No charges are applicable for internal transfers to Defcredit accounts
- For details of these and any other fees refer to the Fees and Charges Schedule.

Telephone Banking

Benefits

- Secure 24 hour automated telephone banking system that can be accessed using a touch-tone phone
- Check account balances
- Check previous transactions
- Transfer funds between nominated Defcredit accounts
- Pay bills using BPAY
- Activate your Defcredit Visa Card or Redicard
- Order posted/faxed transaction listings
- A secure password is issued on registration.

Risks

- Need to ensure security of access to your account passwords
- Risk of unauthorised access to your account if passwords can be easily identified
- Account holder may be liable for unauthorised transactions arising from a failure to properly secure the passwords against loss, theft or misuse.

Costs

- Fees are payable for BPAY transactions conducted via Telephone Banking
- No other fees or charges are applicable except for the issue of a transaction listing of your account
- For details of these and any other fees refer to the Fees and Charges Schedule.

BPAY

Benefits

- BPAY is an electronic payment system operated in co-operation between Australian Financial Institutions, which enables you to effect bill payments to billers who participate in BPAY
- BPAY enables you to pay a wide range of bills from any of your Defcredit savings accounts except an I-Saver or Kids Club account
- You can pay bills using Defcredit Telephone Banking, Online Banking or over the counter
- For a bill to be paid the biller must be part of the BPAY scheme (the BPAY logo will be displayed on the bill you wish to pay).

Risks

- All precautions are taken in respect of BPAY transactions, however the security of electronic transfer transactions can never be guaranteed. In electronic mediums such as the internet, there is always a risk of interception of data by a rogue or hacker.

Costs

- A fee is payable for each BPAY transaction
- For details of these and any other fees refer to the Fees and Charges Schedule.

Visa Debit Card

Benefits

- A Visa Debit Card provides you with access to funds held in your Defcredit National Access Account or Pensioner Deeming Account
- Access may be gained through Automatic Teller Machines (ATMs), Bank@Post, online and merchant locations (POS) eg department stores, supermarkets, service stations etc
- Access via ATMs and participating merchants may be made within Australia and overseas
- Increased access to your Defcredit savings account
- Transactions not limited to Defcredit standard business hours.

Risks

- Need to ensure security of access to your account ie your PIN
- Risk of unauthorised access to your account if your PIN can be easily identified

- Some merchants and EFT terminals may impose a surcharge for making a transaction. You should enquire as to whether any surcharge applies before confirming the transaction.

Costs

- A fee is charged for excess POS transactions*. If you use a non rediATM the owner of the ATM may charge you a fee for using their ATM. This fee will be displayed on the screen prior to the transaction being processed and you will have a choice to cancel the transaction before it proceeds.
- A monthly fee of \$2.90 applies for a Visa Debit card, with an additional monthly fee of \$1.45 for each supplementary card.
- Fees are charged for the following:
 - Declined transaction (incorrect PIN or insufficient funds)
 - Replacement cards (ie captured by ATM, damaged or lost etc) / additional cards
 - Priority card production
 - Voucher retrieval
 - Overseas ATM transactions
 - Overseas emergency card and cash requests.

*refer to the Fees and Charges Schedule

Redicard

Benefits

- Redicard provides you with access to funds held in your Defcredit National Access Account within Australia only
- Redicard access may be gained through ATMs, POS facilities within Australia only
- Increased access to your Defcredit savings account
- Transactions not limited to Defcredit standard business hours.

Risks

- Need to ensure security of access to your account ie your PIN
- Risk of unauthorised access to your account if your PIN can be easily identified.

Costs

- A fee is charged for excess POS transactions*. If you use a non rediATM the owner of the ATM may charge you a fee for using their ATM. This fee will be displayed on the screen prior to the transaction being processed and you will have a choice to cancel the transaction before it proceeds.
- Fees are charged for the following:
 - Declined transaction (incorrect PIN or insufficient funds)
 - Replacement cards (ie captured by ATM, damaged or lost etc) / additional cards
 - Priority card production
 - Monthly card fee.

*refer to the Fees and Charges Schedule

PROTECTION OF YOUR PASSWORDS AND PERSONAL IDENTIFICATION NUMBER (PIN)

- You must keep your passwords and PIN secure at all times. Failure to do so may increase your liability for loss.

YOU MUST NOT:

- Use your birthdate or an alphabetical code which is a recognisable part of your name as a password or select a numerical code which has four sequential numbers
- Disclose your passwords or PIN to any person including family members and friends
- Allow any other person to see you entering or overhear you providing your passwords or PIN
- Record your passwords or PIN on your card or on any article carried with or placed near your card that is liable for loss, theft or abuse at the same time as your card.

Electronic Banking Transaction Products Matrix

The following matrix details the availability of Electronic Banking facilities for Defcredit savings accounts.

Savings Account	Facility				
	Online Banking	Telephone Banking	Visa Debit/ Redicard	ATM/ POS	BPAY
National Access	✓	✓	✓	✓	✓
Basic Access	✓	✓	✗	✗	✓
Budget Savings	✓	✓	✗	✗	✓
Invest. Savings	✓	✓	✗	✗	✓
Christmas Savings	✓	✓	✗	✗	✓
General Insurance	✓	✓	✗	✗	✓
Max-E Saver	✓	✓	✗	✗	✓
Kids Club	✗	✗	✗	✗	✗
Pensioner Deeming	✓	✓	✓	✓	✓
Cash Management	✓	✓	✗	✗	✓
Flexi Term	✓	✓	✗	✗	✓
Mortgage Breaker	✓	✓	✗	✗	✓
I-Saver	✓	✓	✗	✗	✗
FHSA (deposits only)	✓	✓	✗	✗	✗

Approval for you to use an electronic banking service is solely at the discretion of Defcredit and we reserve the right to suspend or cancel access to an electronic banking service without prior notice to you.

Fees and Charges

The fees and charges charged by Defcredit for the Electronic Banking facilities are detailed in the Fees and Charges Schedule.

Merchant Surcharge

Some merchants and EFT terminals charge a surcharge for making EFT transactions. You should ask whether any surcharge applies and the amount of any surcharge before confirming the transaction. Once you have confirmed a transaction you will not be able to dispute the surcharge.

Government Charges

We reserve the right to debit your savings account with any applicable government charges as a result of using an electronic banking facility, Visa Card or Redicard, including any government charges introduced after the account is established.

SPECIFIC TERMS AND CONDITIONS – DEFCREDIT DIRECT

These Terms and Conditions specifically cover our electronic banking Products detailed in this DPS, namely Online Banking, Telephone Banking and B_{PAY}. These products are accessed via the Defcredit Direct facility.

INTRODUCTION

You will need to be registered to use Defcredit Online Banking or Defcredit Telephone Banking. To register, call 1800 033 139, visit your Defcredit branch or download the application forms from defcredit.com.au

IMPORTANT

These Terms and Conditions will govern your access to Defcredit Direct. It is therefore important that you read these Terms and Conditions carefully before you use Defcredit Direct. These Terms and Conditions must be read in conjunction with your Visa Card / Redicard Conditions of Use.

These Terms and Conditions of Use and accompanying information operate alongside any legal rights held by you or Defcredit, but do not replace, although may limit, any of those rights.

Defcredit strongly recommends that you stay abreast of this guide as it contains information that could be important to you in the future.

Defcredit will issue you with an initial password to enable you to log into Defcredit Direct. Once you log in, you will need to set your transactional authentication password immediately to protect yourself from possible fraud. This transactional authentication password will enable you to make transactions / transfers and update personal details.

In the case of a joint membership where the account operating authority is “Either to sign” we will issue each member with individual passwords. The Defcredit Direct system will require each member to change these passwords the first time Defcredit Direct is accessed using those passwords.

To safeguard your usage of Defcredit Direct we recommend that you take these steps:

- Change your initial system generated password when you first use Defcredit Direct
- Change your passwords at regular intervals
- Never reveal your passwords to anyone
- Never write your passwords down
- Utilise all of the security provisions that Defcredit makes available
- Activate the monthly passwords change reminder
- Immediately notify us of any change of address. Where doubt exists about the security of your passwords, you may change your passwords, by selecting the “Change Password” option from the menu in either Defcredit Direct Telephone Banking (for your Telephone Banking password) or Defcredit Direct Online Banking (for your Online Banking passwords).

IMPORTANT NOTE

Online Banking and Telephone Banking allow for value transactions, such as bill payments and funds transfer, to be conducted from your accounts, which are accessed by use of your member number and passwords. Over time, new functionality may also be added to Defcredit Direct. Please ensure that you are happy for value transactions to be carried out using this service. If any new functionality involving value transactions causes you concern, please advise us without delay so that we can discuss other alternatives which may better suit your needs.

Defcredit can be contacted:

- By telephone on (03) 8624 5888 or 1800 033 139 between 8am and 6pm, on business days (Melbourne time)
- By facsimile on (03) 8624 5892
- By email via info@defcredit.com.au
- Via our website at defcredit.com.au (24 hours per day)
- By mail to our Registered Office located at Level 2, 99 King Street, Melbourne VIC 3000.

If you experience difficulties with Defcredit Direct, please telephone Defcredit on (03) 8624 5888 or 1800 033 139, 8am to 6pm, on business days (Melbourne time). By accessing Defcredit Direct you will be taken to have read, understood and accepted these Term and Conditions.

These Terms and Conditions apply to every Defcredit Direct transaction and you will be legally bound by them.

1. DEFINITIONS

“Access Password” – Access Passwords consist of a user ID and secure password. The secure password is initially issued by us, but is then changed by you on first time use of Defcredit Direct to one of your own choosing.

“account” – means your nominated account(s) that we agree can be accessed via Defcredit Direct for the purpose of effecting transactions, including BPAY payments.

“biller” - means any person to whom you request we make a payment, other than us and in relation to BPAY payments means a biller who participates in BPAY.

“BPAY” - means the electronic payment scheme called BPAY operated in co-operation between Australian financial institutions, which enables you to effect bill payments to billers who participate in BPAY, either via telephone or internet access or any other access method as approved by us from time to time.

“BPAY payment” - means a payment transacted as part of the BPAY scheme via Defcredit Direct.

“business day” - means a day other than a Saturday or Sunday or a Public Holiday.

“card” - means the Redicard or Visa Card we have issued to you or to any other person at your request to enable you or that other person to access funds in your account(s) or any other card as we advise you from time to time.

“card hotline” - means a dedicated telephone service line established by the credit union industry solely for cancelling credit union Redicards and Visa Cards.

“cut off time” - means the time, that your BPAY payment or electronic transfer instruction must be received by us in order for those instruction to be processed that day.

“Defcredit Direct” - means the facility developed by Defcredit to enable you, via the telephone and internet, to make payments and transfers from your account and / or to obtain information and make requests about your account or generally about the products and services Defcredit offers. The expression Defcredit Direct incorporates the BPAY facility.

“equipment requirements” - any equipment/software as specified by us that you will require to access and use Defcredit Direct.

“internet site” - means Defcredit’s internet site defcredit.com.au or any other address advised to you by us from time to time.

“password” - means a unique alphabetical and/or numeric combination. This will enable you to have secure access to Defcredit Direct.

“payment” - means a debit to your account of an amount and payment of that amount to a biller and includes a BPAY payment.

“transactional authentication password” - means a unique combination of alphabetical and numeric characters selected by you which gives you secure transactional processing and data update capability within Online Banking.

“transaction” - means a payment or transfer from your account(s) using Defcredit Direct and in addition includes any other information provided to you pursuant to a request made by you via Defcredit Direct.

“transfer” - means a transaction whereby your account is debited and another account is credited.

“**user ID**” - means the numerical or alphabetical identification, currently your member number, issued to you by us which you use to access Defcredit Direct in conjunction with your passwords.

In addition, references to:

“**we**”, “**us**”, or “**Defcredit**” are references to us, Defence Force Credit Union Limited;

“**you**” or “**your**” are references to you, the account holder(s) in respect of the account. See condition 18(f) and (g) which deem acts, omissions and failures to observe these conditions by certain other persons to be your acts, omissions and failures.

2. MUTUAL BANKING CODE OF PRACTICE/EFT CODE OF CONDUCT

The relevant provisions of Mutual Banking Code of Practice and the EFT Code of Conduct apply to these Terms and Conditions.

3. PRIVACY

Defcredit complies with the National Privacy Principles introduced under the *Privacy Amendment (Private Sector) Act 2000* and Mutual Banking Code of Practice.

4. SECURITY AND ACCESS

- a. You must maintain at all times a valid email address for delivery of transaction confirmation for Defcredit Direct Online Banking. Transaction confirmation will be provided at the discretion of Defcredit.
- b. You agree to promptly notify us of any change of your email address.
- c. It is your responsibility to select, obtain and maintain any equipment/software and communications facility which may be necessary to gain access to and to use Defcredit Direct.
- d. It is your responsibility to obtain, maintain and comply with the equipment requirements as advised and amended from time to time by us which may be necessary for you to access and use Defcredit Direct.
- e. It is your responsibility to utilise the security provisions provided by Defcredit to ensure the security of your transactions.

5. SECURITY BREACHES

- a. In this condition, the expression “you” includes any person to whom a card or password has been issued or given with your consent.
- b. If you suspect for any reason that anyone has discovered or may have discovered your passwords, then you must change your passwords by selecting the “Change Password” option from the menu in either Defcredit Direct Telephone Banking (for Telephone Banking password changes) or Defcredit Direct Online Banking (for Online Banking password changes).

- c. If you also suspect that your card or your card details are accessible to that person (particularly if you are unable for any reason to change your password) then we recommend you cancel your card, by calling the Card Hotline.
- d. If your card is lost or stolen or you suspect for any reason that someone has a record of your card details and may use them to access your account, you must report this to the Card Hotline to have your card cancelled.
- e. The Card Hotline will give you a reference number. Please retain this number as evidence of the date and time of your report.
- f. The Card Hotline is staffed 24 hours a day, 7 days a week. However, if the Card Hotline is not operating at the time you attempt to call to cancel your card, we will be liable for any losses which:
 - are incurred after you attempt to call; and
 - are due to the failure to cancel.

BUT ONLY if you do call and cancel your card within a reasonable time of the Card Hotline again becoming available.

Card Hotline Australia wide toll free 1800 224 004. Sydney Metropolitan Area (02) 9959 7480.

- g. The Card Hotline is a dedicated call line established and operated by the credit union industry solely for cancelling Redicards and Visa Cards issued by credit unions. It cannot assist you with Defcredit Direct or BPAY enquiries, system problems or password issues. If you report your card as lost or stolen to the Card Hotline, you should then also contact us, Defcredit, on the next business day, to advise us of this cancellation, the reference number provided, and to arrange a replacement card.

6. USING DEFCREDIT DIRECT (INCLUDING BPAY)

- a. This condition applies when you use Defcredit Direct to make BPAY payments.
- b. Defcredit Direct can be used to make transactions of the type permitted by Defcredit and BPAY from time to time.
- c. BPAY can be used to pay bills bearing the BPAY logo. We will advise you if and when other transactions can be made using BPAY.
- d. We will debit the value of each payment or transfer and any applicable fees to the account from which the relevant payment or transfer is made.
- e. If you instruct us to make any payment or transfer, but close the account to be debited before the payment or transfer is processed, you will remain liable for any dishonour fees incurred in respect of that transaction and we may exercise our rights of set-off under condition 10(c).
- f. Defcredit will take all reasonable steps to ensure that the information it makes available to you through Defcredit Direct is correct and regularly updated.

- g. Defcredit will not be liable for or in connection with any inaccuracy, error or omissions in any information made available to you via Defcredit Direct being incorrect or non-current or occurring by reason of the system or communications network, ancillary equipment or any other circumstance beyond Defcredit's reasonable control.

7. PROCESSING OF DEFCREDIT DIRECT TRANSACTIONS (INCLUDING BPAY)

- a. This condition applies to the processing of all Defcredit Direct transactions, including BPAY payments.
- b. A payment or transfer using Defcredit Direct is irrevocable. Except for future-dated BPAY payments (addressed in condition 8) you cannot stop a payment or transfer once you have instructed us to make it and we cannot reverse it.
- c. A payment, other than a BPAY payment, is treated as received by the person to whom it is directed, generally on the next business day after you direct us to make it.
- d. A transfer is treated as made and received into the account specified generally on the same business day as you direct us to make it.
- e. A BPAY payment is treated as received by the biller to whom it is directed:
- on the date you direct us to make it, if we receive your direction by the cut off time on a business day; and
 - otherwise, on the next business day after you direct us to make it.
- f. Notwithstanding this, a delay may occur processing a BPAY payment if a biller, or another financial institution participating in BPAY, does not comply with its BPAY obligations.
- g. Please note a delay may occur in processing a Defcredit Direct payment or transfer in various circumstances.

8. FUTURE-DATED BPAY PAYMENTS

If you use this option you should be aware that:

- a. You may arrange individual BPAY payments up to 90 days in advance of the time for the payment.
- b. You can cancel a future-dated BPAY payment, after you have given the direction but before the date for payment, via Online Banking or by contacting us on 1800 033 139. You cannot stop the BPAY payment on or after that date. You may arrange to make BPAY payments at regular ongoing intervals.
- c. You are responsible for maintaining, in the account to be drawn on, sufficient cleared funds to cover all future-dated payments (and any other drawings) on the day(s) you have nominated for payment.
- d. If a future dated BPAY cannot be processed due to insufficient cleared funds in the nominated account on the due date for payment Defcredit will attempt to make the payment on the following business day. If a future dated BPAY cannot be processed due to insufficient cleared funds on two successive business days, a dishonour fee will be charged. If a future dated BPAY cannot be processed due to insufficient cleared funds on two successive business days, on three consecutive occasions the auto transfer will be cancelled.

- e. You are responsible for checking your account transaction details or account statement to ensure the future-dated BPAY payment is made correctly.
- f. You should contact us on 1800 033 139 if there are any problems with your future-dated payment.
- g. You can cancel a future-dated BPAY payment via Online Banking or by contacting us on 1800 033 139, before the payment date. You cannot stop the BPAY payment on or after that date.

9. TRANSACTION LIMITS

- a. We may limit the amount of payments or transfers you may make on any one day.
- b. If at any time BPAY allows transactions other than bill payments to be processed through BPAY, we will advise you accordingly, however we may limit the amount you may transact on any one day via BPAY on the other transactions.
- c. We will advise you of applicable transaction limits.

10. REFUSING DEF CREDIT DIRECT TRANSACTION DIRECTIONS

You acknowledge and agree that:

- a. We may refuse for any reason to give effect to any request or direction you give us in respect of a transaction.
- b. We are not liable to you or any other person for any loss or damage which you or that other person may suffer as a result of such refusal.
- c. If an account from which the payment or transfer is to be made has insufficient cleared funds, we may dishonour the payment or transfer direction (and you may be charged a dishonour fee) and / or we may set off your liabilities against any other account you have with us, but this does not affect our rights to dishonour the payment or transfer request or direction.

11. YOUR LIABILITY FOR DEF CREDIT DIRECT PAYMENTS AND TRANSFERS

- a. You are liable for all transactions on your account carried out via Defcredit Direct, including BPAY, by you or by anybody carrying out a transaction with your consent, regardless of when the transaction is processed to your account with us.
- b. Your liability for losses arising from unauthorised Defcredit Direct transactions on your account depends on whether you or anybody using passwords with your consent contributed to the losses. For the purposes of this condition, the expression “you” includes anybody using passwords with your consent. You contribute to the losses by any of the following (as well as in other ways):
 - (i) disclosing your passwords to any person including your joint membership holder, a family member or friend

- (ii) recording your passwords on your card or without making a reasonable attempt to disguise it
- (iii) electing passwords that are easily recognisable, such as your name, date of birth or personal detail that can easily be identified
- (iv) allowing any person to watch you or overhear you using your passwords
- (v) failing to protect the security of the passwords by any other act recognised by any court, government agency or industry ombudsman as a serious act contributing to the loss; and
- (vi) unreasonably delaying the notification of the security breach in respect of the passwords.

If you cannot memorise your passwords and must record them, then do not under any circumstances:

- Record your passwords in an obvious place as a password, unless you have taken reasonable steps to disguise your passwords carefully. (It is not reasonable to disguise your passwords as a telephone number, a birth date or by changing the order of the characters in the passwords)
 - Change your passwords to PINs generated by a non-financial institution.
- c. If you contributed to the losses, you are liable for actual losses arising from unauthorised Defcredit Direct transactions incurred during the relevant times* except:
- As set out in conditions 11(e) and (f) and/or
 - To the extent that the actual losses exceed the amounts you could lawfully have accessed from your account at the relevant times*, having regard to daily transaction limits, the account balance and any pre-arranged credit
- * The relevant times for these purposes are:
- In respect of conditions 11(b)(i)-(v): any time prior to reporting the loss or theft or unauthorised use or security breach in accordance with Condition 5 - Security Breaches
 - In respect of condition 11(b)(vi): the time from when you became aware of the loss or theft or unauthorised use or security breach (or should reasonably have become aware of any loss or theft of the card or unauthorised use) and the time when this was reported.
- d. If it is not clear whether you contributed to the loss, your liability in respect of unauthorised Defcredit Direct transactions is the lesser of:
- The actual losses prior to you reporting the loss or theft or unauthorised use or security breach
 - \$150; or
 - The balance in the affected account (including any pre-arranged credit limit).

- e. You are not liable for losses arising from transactions if these transactions are the result of:
 - Fraudulent or negligent conduct of employees or agents of any organisation participating in Defcredit Direct (including us and any biller)
 - The use of a password or a card or details from a card which is forged, faulty expired or cancelled (as applicable)
 - Completing a transaction accepted into Defcredit Direct otherwise than in accordance with your instructions
 - A payment or transfer being debited more than once to your account
 - A payment or transfer effected prior to you receiving your password.
- f. You will also not be liable for any unauthorised Defcredit Direct transaction if:
 - (i) It was made after your report to us of the loss or theft or unauthorised use or breach of security or password; or
 - (ii) It can be shown that you did not contribute to any unauthorised Defcredit Direct transaction made prior to your report of the loss or theft or unauthorised use or breach of security or passwords.

12. OUR LIABILITY IN RESPECT OF DEFREDIT DIRECT

- a. You agree that subject to your rights which are implied by law and which cannot be excluded by these Terms and Conditions, we will not be liable for:
 - (i) Any breakdown or interruption in the Defcredit Direct (including BPAY) system due to circumstances which are not under our direct control
 - (ii) Any corruption of data or any breakdown or interruption to your computer or any other equipment utilised to access Defcredit Direct
 - (iii) Any error or delay in the execution of any Defcredit Direct transaction instructions you provided if the error or delay is due to circumstances not under our direct control; or
 - (iv) Any refusal of another party to receive any Defcredit Direct payment from you.
- b. You agree that in the event of a breakdown or interruption to the Defcredit Direct system or any failure or error in any transmission of information in respect of Defcredit Direct, we will not be liable for any resulting loss except that we will:
 - Reverse any erroneous entry to your account caused by the malfunction
 - Refund any charges or fees imposed as a result; and
 - Re-transmit any information and/or repeat any interrupted service or process, as appropriate.

- c. You agree that in any event, our liability to you in respect of any Defcredit Direct transaction or for your use of Defcredit Direct does not include consequential, indirect or economic loss.

13. RESOLVING ERRORS ON ACCOUNT STATEMENTS

- a. All relevant Defcredit Direct transactions and applicable fees will be recorded on the account statements of the accounts to which they are debited.
- b. If you believe a Defcredit Direct transaction entered on your statement is wrong, contact us and give the following details:
- Your name and account number
 - The date and amount of the transaction in question
 - The date of the account statement in which the transaction in question first appeared
 - A brief and clear explanation of why you believe the transaction is unauthorised or an error.
- c. If we are unable to settle your concern immediately and to your satisfaction, we will advise you in writing of the procedures for further investigation and resolution of the complaint and may request further relevant details from you.
- d. After we have received from you details of your complaint, we will do any of the following:
- Advise you in writing of the results of our investigation; or
 - Advise you in writing that we require further information to complete our investigation.
- e. In exceptional circumstances that we must tell you about in writing, we may require more time to complete our investigation. In such circumstances we will provide you with monthly updates on the progress of the investigation and its likely resolution date, except where we are waiting for a response from you and you have been advised that we require such a response.
- f. If we find that an error was made, we will make the appropriate adjustments to your affected account, including interest and charges (if any) and will advise you in writing of the amount of the adjustment.
- g. When we advise you of the outcome of our investigation, we will give you reasons for our decision by reference to these Terms and Conditions. We will advise you of any adjustments we made to your affected account and also advise you in writing of other avenues of dispute resolution. You may use these avenues of dispute resolution if you are not satisfied with our decision.
- h. If we decide that you are liable for all or any part of a loss arising out of an unauthorised Defcredit Direct transaction, we will:
- Give you copies of any documents or other evidence we relied upon in reaching this decision; and
 - Advise you whether or not there was any system malfunction at the time of the transaction complained of.

- i. If we fail to carry out these procedures or cause unreasonable delay, we will be liable for the amount of the disputed transaction if our failure or delay has prejudiced the outcome of the investigation.

14. TRANSACTION RECORDING

It is recommended that you record all receipt numbers issued in respect of Defcredit Direct transactions to assist in checking transactions against your statements.

We recommend you record the receipt numbers on the relevant bills.

15. TRANSACTION AND OTHER FEES

- a. We will advise you whether we charge any fees, and the amount of such fees (including any dishonour fee), for:
 - Any Defcredit Direct transaction; or
 - Giving you access to Defcredit Direct; or
 - Any other service provided in relation to Defcredit Direct.
- b. We will also advise you whether we will debit to you any government charges, duties or taxes arising out of a Defcredit Direct transaction.
- c. We may charge you with dishonour fees for any cheques, Electronic Funds Transfers and applicable future-dated payments that have failed due to insufficient cleared funds in the relevant account.

16. CHANGES TO TERMS AND CONDITIONS

- a. We may change these Terms and Conditions and any fees and charges from time to time.
- b. We will notify you in writing at least 30 days before the effective date of change or such other longer period as may be required by law if the change to the Terms and Conditions will:
 - Impose or increase charges for Defcredit Direct transactions; or
 - Increase your liability for unauthorised use; or
 - Adjust any applicable daily limits on amounts which may be transacted via Defcredit Direct; or
 - Make any changes to your account(s) in respect of which the law requires that notice be given to you.
- c. If you do not wish your daily limit on transacted amounts via Defcredit Direct to be changed you must notify us before the effective date of change. Otherwise, once you access the changed transaction limit, you will be deemed to have consented to the change.
- d. We may notify you of other changes by:
 - Notices on, or with, periodic account statements
 - Direct written notice to you; or
 - Press advertisements in national or local media.
- e. We are not obliged to give you advance notice if an immediate change to the Terms and Conditions is deemed necessary by us for security reasons.

- f. We are not obliged to give you advance notice if a variation involving an interest rate, fee or charge will result in a reduction in your obligations.
- g. BPAY is owned and operated by third parties. If the rules and regulations of BPAY require that these Terms and Conditions be changed, in any way at any time, (including without prior or full notice to you) then we will have the right to change these Terms and Conditions accordingly.

17. CANCELLATION OF DEFBCREDIT DIRECT ACCESS

- a. You may cancel your access to Defcredit Direct at any time by giving us written notice.
- b. Your access to Defcredit Direct will be terminated when:
 - We notify you that your account has been cancelled
 - You close the last of your accounts with us which has Defcredit Direct access
 - You cease to be our member
 - You alter the authorities governing the use of your account or accounts with Defcredit Direct access (unless we agree otherwise).
- c. In addition, we may cancel your access to Defcredit Direct by providing you with 30 days written notice. The cancellation notice does not need to provide reasons for cancellation.

18. MISCELLANEOUS

- a. These Terms and Conditions govern your Defcredit Direct access to any of your transaction accounts with us. Each transaction on an account is also governed by the Terms and Conditions to which that account is subject. In the event of any inconsistency between these Defcredit Direct Terms and Conditions and the terms applicable to any of your accounts, these Defcredit Direct Terms and Conditions will prevail.
- b. You agree that you will promptly notify us of any change of address, including email address.
- c. We may post all account statements and notices to you at your registered address as provided for in our rules. Alternatively you may access these via eStatements in Online Banking.
- d. You authorise us to disclose to any participant in Defcredit Direct, the transaction details of any Defcredit Direct payment which in any way affects that participant, to the extent permitted under privacy laws.
- e. We have developed a complaints and disputes resolution procedure and are a member of an external dispute resolution body to ensure that complaints and disputes are appropriately addressed. Further details of our complaints and disputes resolution process can be obtained by visiting our website defcredit.com.au, at your nearest Defcredit branch, or by calling 1800 033 139.

- f. In the case of joint membership full access to the facilities of Defcredit Direct is only available to members whose account operating authority is “Either to Sign”. Where the account operating authority is “Either to Sign” then you are liable for any acts or omissions or failure to observe these conditions by the other account holders and any act or omission of another account holder or failure by another account holder to observe these conditions will be deemed to be your act, omission or failure as the case may be.
- g. Joint Membership/Mess accounts that have restricted access such as “Both to Sign” or “Any Two to Sign” etc, may be offered limited access to Defcredit Direct. This limited access will permit account viewing, statements etc., however, all value transactions will be barred due to the account signing authority.

SECTION 2. OTHER TRANSACTION PRODUCTS / PAYMENT SERVICES SPECIFIC INFORMATION

Other Transaction Products Matrix

The following matrix sets out the availability of other transaction products for Defcredit Savings Accounts:

Savings Account	Transaction Product			
	Cheque Book	Direct Debit	Direct Credit Transfers	Defcredit Direct Transfers
National Access	✓	✓	✓	✓
Basic Access	✗	✓	✓	✓
Budget Savings	✗	✓	✓	✓
Invest. Savings	✗	✓	✓	✓
Christmas Savings	✗	✓	✓	✓
General Insurance	✗	✓	✓	✓
Max-E Saver	✗	✓	✓	✓
Kids Club	✗	✗	✓	✗
Pensioner Deeming	✓	✓	✓	✓
Cash Management	✗	✓	✓	✓
Flexi Term	✗	✓	✓	✓
Mortgage Breaker	✗	✓	✓	✓
I-Saver	✗	✓	✓	✓
FHSA (deposits only)	✗	✗	✓	*

* Refer to FHSA PDS

Fees and Charges

The fees and charges for these Defcredit transaction products are detailed in the Fees and Charges Schedule.

A fee is payable to acquire a cheque book, with the amount of the fee depending on the number of cheques required. There are no fees payable to commence using any other Defcredit transaction products.

Government Charges

We reserve the right to debit your savings account with any applicable government charges as a result of using a transaction product including any government charges introduced after the facility is established.

SPECIFIC TERMS AND CONDITIONS - OTHER TRANSACTION PRODUCTS / PAYMENT SERVICES

1. Direct Debits

- 1.1 By signing and providing a biller with a direct debit request you authorise the biller to have funds debited from your account with Defcredit.
- 1.2 Defcredit is not advised by the biller when a direct debit request is established or discontinued by a member.
- 1.3 Defcredit acting on the authority of an electronic file received from the biller's financial institution will debit the nominated account and transfer funds in accordance with instruction received from the biller's financial institution.
- 1.4 Defcredit accepts no responsibility for the date on the instruction received from the biller's financial institution and the date on which the debit is processed to the nominated account.
- 1.5 Any instruction received for payment on a non business day will be processed and payment made on the next business day.
- 1.6 If you wish to stop a direct debit, you must make this request to us in writing (on a Defcredit designated form) and also advise the biller that you wish to cancel the direct debit facility.
- 1.7 Direct debits received by Defcredit will be debited from the account you have nominated with the biller or as directed by you in writing to Defcredit. If there are insufficient funds in the nominated account, Defcredit will dishonour the debit and advise the biller that there were insufficient funds.
- 1.8 If on the first presentation of a new direct debit you have only nominated your membership number with a biller, Defcredit will debit your National Access Account. If there are insufficient funds in your National Access Account, Defcredit will debit the amount from the following accounts in the order in which they appear. National Access, Basic Access, Investment Savings, Flexi Term, General Insurance Savings, Smart Mover, Cash Management, I-Saver. Should there be insufficient funds in any of these accounts Defcredit will dishonour the debit and advise the biller that there were insufficient funds. Following the first presentation of a new direct debit and the debiting of it from an account other than the National Access Account all subsequent direct debits will be directed to that account. If there are insufficient funds in that account, Defcredit will dishonour the debit and advise the biller that there were insufficient funds.
- 1.9 A dishonour fee is payable if there are insufficient funds in the National Access Account (or other account detailed in 1.8 above) and any other nominated account when Defcredit receives the direct debit instruction.

1.10 In certain circumstances Defcredit will exercise its discretion and honour a direct debit in situations where there are insufficient funds to cover the debit. Where this action results in the account becoming overdrawn a direct debit dishonour fee is payable as set out in the Fees and Charges Schedule.

2. Direct Credits

- 2.1 Defcredit is not advised when a direct credit authority is established or discontinued by a member with a third party. Defcredit will credit the member's account on the authority of an electronic file received from the crediting party's financial institution.
- 2.2 Defcredit accepts no responsibility for the date on which the instruction is received from the crediting party's financial institution and the date on which the credit is processed and made to the member's nominated account. Any instruction received for crediting on a non business day will be processed and the payment credited on the next business day.
- 2.3 Defcredit will not accept any request to cancel a direct credit facility or stop an individual direct credit. Any such request must be directed to the crediting party before the instruction is received by Defcredit.
- 2.4 Defcredit reserves the right upon request made to it by the crediting party to reverse any direct credit and debit the member's account for any funds drawn against the funds credited prior to receipt by Defcredit of the reversal from the crediting party.

3. Auto Transfers

- 3.1 External auto transfers are only available to financial institutions with a BSB number.
- 3.2 Financial institutions receive auto transfers as cleared funds on the next business day.
- 3.3 While Defcredit will endeavour to process an auto transfer in accordance with the member's instructions we accept no responsibility if any such transfer is not or cannot be made and accordingly shall not incur any liability through our refusal or omission to make any or all of the payments instructed by the member or arising from any late payment or omission in following instructions.
- 3.4 If an auto transfer cannot be processed due to insufficient cleared funds in the nominated account on the due date for payment Defcredit will attempt to make the payment on the following business day. If an auto transfer cannot be processed due to insufficient cleared funds on two successive business days, a dishonour fee will be charged. If an auto transfer cannot be processed due to insufficient cleared funds on two successive business days, on three consecutive occasions the auto transfer will be cancelled.
- 3.5 Defcredit may in its absolute discretion conclusively determine the order of priority of payment by us under this facility and any authority given to us by the member.

4. Member Chequing

4.1 Conditions of Use

4.1.1 Access

The Member Chequing facility can only be attached to a National Access Account, Pensioner Deeming Account or a Smart Mover Loan Account.

4.1.2 Authority

By acquiring a Member Chequing facility you acknowledge that you have appointed Defcredit and Credit Union Financial Services (Australia) Limited (Cuscal) as your agent and that you have authorised them to –

- Conduct accounts (“the Bank Account”) with a Bank (“the Bank”) to enable you to draw cheques for payment of goods and services out of funds in the Defcredit account in accordance with these Terms and Conditions.
- Transfer funds to the Bank Account from your Defcredit account to pay the amount of cheques or payment orders that you or your authorised signatories have signed and to pay any costs taxes or charges incurred by Defcredit or the Bank.
- You have authorised Defcredit to debit your account for –
 - The amount of any dishonour charges imposed by Defcredit or the Bank
 - The amount of any government taxes or duties in respect of transactions or the operation of the account
 - The amount of any other fees and charges payable under these Terms and Conditions including cheque issuing fees and unauthorised overdraft fees.

4.1.3 Dishonouring a Cheque

If the amount of any cheque presented for payment exceeds the available balance (any funds lodged in the Defcredit account, any unused overdraft or other agreed facility made available for the Defcredit account) in your Defcredit account at the time the cheque is presented, Defcredit may instruct the Bank to refuse to pay the cheque. Where Defcredit refuses to pay a cheque in accordance with this condition or in accordance with any other provision, Defcredit may, at its absolute discretion, debit your Defcredit account with any costs incurred through such refusal and such costs shall constitute a debt from you to Defcredit.

In the event that a correctly authorised and presented cheque exceeds the available balance of your Defcredit account, Defcredit is authorised to transfer to that account, from any other account or accounts held by you with Defcredit, sufficient funds to allow payment of the cheque. Defcredit may charge a fee for each transfer. If there are insufficient funds in your Defcredit accounts and the cheque exceeds the available balance and any credit limit and it is honoured by Defcredit, the outstanding debt shall be immediately repayable. If subsequent to written demand by Defcredit, you fail to repay the debt, you will be liable to pay all costs and expenses incurred by Defcredit in the collection of that debt.

4.1.4 Stopping a Cheque

If it is necessary for you to request that payment of any cheque be stopped you must provide a signed stop payment notice to Defcredit. Defcredit may in acceptable circumstances stop payment on a cheque if you contact Defcredit on 1800 033 139 but in such case you are required to provide written confirmation of your request within 24 hours. In consideration of Defcredit agreeing to your request to stop payment you agree to indemnify Defcredit against any loss it may suffer or be liable to suffer as a result of the stop payment and also agree to indemnify Defcredit against cost of any litigation that may be brought against us by any person as a result of payment being stopped at your request. If you request that payment be stopped a fee applies as set out in the Fees and Charges Schedule.

4.1.5 Security of Your Chequebook

It is your responsibility to safeguard your chequebook from loss, theft or unauthorised use. You must:

- Keep your chequebook under secure control and in a safe place at all times
- Never give your chequebook or an incomplete cheque to any person
- Read your periodic statement carefully and notify Defcredit promptly if it contains any entry which you suspect may represent an unauthorised transaction; and
- Contact us immediately if you become aware that your chequebook or a cheque has been lost, stolen or used without your authority.

You will be liable for any loss arising from a failure to report the loss, theft or misuse of your chequebook.

4.1.6 Cheque Clearance

Generally it will take 3 business days to clear a cheque. Exceptions to this are foreign cheques.

Foreign cheques less than \$AUD25,000 will require a 60 day clearance period.

Funds from foreign cheques of \$AUD25,000 or more will be available upon clearance from the overseas bank on which the cheque is drawn.

Despite the above clearance having been granted, an overseas cheque dishonour may still occur several months later.

In the event that a cheque is returned unpaid, Defcredit will debit your account with the Australian dollar value of the cheque, using the exchange rate current at the time the cheque is dishonoured, plus any fees and charges payable.

4.2 General Descriptive Information

4.2.1 Writing Cheques

When you write a cheque you have a duty to fill it out carefully so that no one else can alter it. You must:

- Write the amount in both words and figures and never leave a gap between the words or figures
- Begin the amount in words as close to the left hand side of the cheque as possible and write the amount in figures as close as possible to the dollar (\$) sign
- Always write cheques in ink which cannot be rubbed out and never in pencil; and
- Never sign a cheque until you have filled it out completely.

4.2.2 Crossed Cheques

A cheque with two parallel lines across it is a “crossed cheque”. When you cross a cheque, you are telling the bank that the cheque must be paid into an account and not cashed.

(i) “Not Negotiable” Cheques

The words “Not Negotiable” between two parallel lines protects the true owner of a lost or stolen cheque. These words ensure that the recipient of a cheque obtains no better rights to the cheque than the person who passed the cheque.

(ii) “Account Payee Only”

If you write these words on a cheque, you are directing the bank collecting the cheque to only pay the cheque into the account of the person named on the cheque.

(iii) “Or Bearer” or “Or Order”

These words mean that a bank may pay the cheque to whoever is in possession of the cheque, not only the person named on the cheque. If you delete these words, the cheque becomes an “or order” cheque.

A cheque payable “or order” means that if the payee wants to transfer the cheque to another person, they must first sign the back of the cheque.

You must delete the words “or bearer” and replace them with “or order” to make the cheque an “or order” cheque.

4.2.3 Liability

You may be liable for all losses caused by your failure to observe the duties specified in Security of Your Chequebook and Writing Cheques above. However in no case will you be liable where it is shown, on the balance of probabilities, that the loss was caused by:

- The fraudulent or negligent conduct of Defcredit’s employees or agents; or
- The same cheque being debited more than once to the same account.

4.2.4 Cheque Dishonour

A cheque may be dishonoured where -

- There are insufficient funds in the account of the drawer
- The cheque is unsigned
- The cheque is more than 15 months old
- The cheque is future dated

- The cheque has been materially altered and the alteration has not been signed
- There is a legal impediment to payment
- The cheque has been stopped; or
- The paying bank has been notified of the mental incapacity, bankruptcy or death of the drawer.

Defcredit may charge a dishonour fee.

PART 5. VISA CARD / REDICARD CONDITIONS OF USE

IMPORTANT

Before you use the Visa Card / Redicard, read these Conditions of Use carefully. Use of the Visa Card / Redicard will be governed by these conditions.

These Conditions of Use unless otherwise advised in writing, replace all Visa Card / Redicard Conditions of Use previously issued.

You should follow the guidelines as detailed below to protect against unauthorised use of the Visa Card / Redicard and PIN. These guidelines provide examples of security measures only and will not determine your liability for any losses resulting from unauthorised EFT transactions. Liability for such transactions will be determined in accordance with clause 15 of these Conditions of Use and the Electronic Funds Transfer Code of Conduct.

Guidelines for Ensuring the Security of the Visa Card / Redicard and PIN

- Sign the Visa Card / Redicard as soon as you receive it
- Keep the Visa Card / Redicard in a safe place
- If you change the PIN, you must not select a PIN that represents your birth date or a recognisable part of your name
- Never write the PIN on the Visa Card / Redicard
- Never write the PIN on anything that is kept with or near the Visa Card / Redicard
- Never lend the Visa Card / Redicard to anybody
- Never tell or show the PIN to another person
- Use care to prevent anyone seeing the Visa Card / Redicard number and PIN being entered at Electronic Equipment
- Immediately report the loss, theft or unauthorised use of the Visa Card / Redicard to Defcredit or to the Visa Card / Redicard Hotline
- Keep a record of the Visa Card / Redicard number and the Visa Card / Redicard Hotline telephone number for your area with your usual list of emergency telephone numbers
- Examine your periodical statement immediately upon receiving it to identify and report, as soon as possible, any instances where the Visa Card / Redicard has been used without your authority; and
- Immediately notify Defcredit of any change of address.

1. Introduction

a. These Conditions of Use govern use of a Visa Card / Redicard to access to your linked account(s) at Defcredit. Each transaction on a linked account is also governed by the Terms and Conditions to which that account is subject. In the event of an inconsistency between these Conditions of Use and the terms applicable to your linked account(s), these Conditions of Use shall prevail.

b. Definitions In these Conditions of Use:

“**Card Details**” means the information provided on the card and includes, but is not limited to, the card number and expiry date.

“**Credit Union**” means Defcredit with which your linked account is held.

“**Cuscal**” means Credit Union Services Corporation (Australia) Limited.

“**Day**” means a 24-hour period commencing on midnight in Australian Eastern Standard Time or Eastern Summer Time, as the case may be.

“**EFT System**” means the shared system under which EFT transactions are processed.

“**EFT Terminal**” means the electronic equipment, electronic system, communications system or software controlled or provided by or on behalf of Defcredit or any third party for use with a Visa Card / Redicard and PIN to conduct an EFT transaction and includes, but is not limited to, an automatic teller machine or point of sale terminal.

“**EFT Transaction**” means an Electronic Funds Transfer instructed by you or your subsidiary cardholder through Electronic Equipment using a Visa Card / Redicard and/or PIN or Card Details but not requiring a manual signature.

“**Electronic Equipment**” includes, but is not limited to, a computer, television, telephone and an EFT terminal.

“**Linked Account**” means your account(s) which you link to a Visa Card / Redicard, and includes any overdraft or line of credit which you may attach to your linked accounts.

“**Merchant**” means a retailer or any other provider of goods or services.

“**PIN**” means the Personal Identification Number issued to you or a subsidiary cardholder by Defcredit for use with a Visa Card / Redicard when giving an instruction through Electronic Equipment.

“**Subsidiary Cardholder**” means any person nominated by you to whom Defcredit has issued an additional Visa Card / Redicard.

“**Visa Card / Redicard**” means the Visa Card / Redicard issued to you or a subsidiary cardholder by Defcredit.

c. These Conditions of Use apply when the Visa Card / Redicard is used to carry out an EFT transaction.

- d. Defcredit may attach other services to the Redicard. Please contact Defcredit for details.
- e. In accepting a Visa Card / Redicard from Defcredit you are obliged to comply with these Conditions of Use.
- f. Unless otherwise required by the context, a singular word includes the plural and vice versa.

2. Codes of Conduct

- a. Defcredit warrants that it will comply with the requirements of the Electronic Funds Transfer Code of Conduct where that code applies.
- b. The relevant provisions of the Mutual Banking Code of Practice apply to these Conditions of Use.

3. Signing the Visa Card / Redicard

You agree to sign your Visa Card / Redicard immediately upon receiving it and before using it as a means of preventing fraudulent or unauthorised use of your Visa Card / Redicard.

You must ensure that your subsidiary cardholder signs the Visa Card / Redicard issued to them immediately upon receiving it and before using it.

4. Protecting the PIN

- a. Defcredit will provide a PIN to use the Visa Card / Redicard with certain Electronic Equipment. You agree to protect this PIN as a means of preventing fraudulent or unauthorised use of the Visa Card / Redicard.
- b. You must not tell or show the PIN to another person or allow it to be seen by another person, including your family and friends.
- c. If you change the PIN, you must not select a PIN that represents your birth date or a recognisable part of your name. If you do use an obvious PIN such as a name or date you may be liable for any losses which occur as a result of unauthorised use of the PIN before notification to Defcredit that the PIN has been misused or has become known to someone else.
- d. Do not record the PIN on the Visa Card / Redicard or keep a record of the PIN on anything which is kept with or near the Visa Card / Redicard unless reasonable steps have been taken to carefully disguise the PIN or to prevent unauthorised access to that record.

5. Using the Visa Card / Redicard

- a. The Visa Card / Redicard may only be used to perform transactions on your linked account(s). Defcredit will advise you of the accounts, including any credit facility, which you may link to the Visa Card / Redicard.
- b. Defcredit will debit your linked account(s) with the value of all transactions, including sales and cash advance vouchers arising from the use of the Visa Card / Redicard (including all mail or telephone orders placed by quoting the Visa Card / Redicard number) and all other EFT transactions, or credit your linked account(s) with the value of all deposit transactions at EFT terminals.

- c. Defcredit will advise you from time to time:
 - (1) What EFT transactions may be performed using the Visa Card / Redicard; and
 - (2) What EFT terminals of other financial institutions may be used.
- d. Transactions will not necessarily be processed to your linked account on the same day.
- e. If a linked account is in the name of more than one person, then each party to that account will be jointly and severally liable for all EFT transactions to that account.
- f. You will continue to be liable to Defcredit for the value of any EFT transaction occurring after you have closed your linked account(s) or after you have resigned from membership of Defcredit.

6. Using the Visa Card Outside Australia

- a. Use of the Visa Card outside Australia must comply with any exchange control requirements.
- b. You agree to reimburse Defcredit for any costs, fees or charges of any nature arising out of a failure to comply with any exchange control requirements.
- c. All transactions made overseas on the Visa card will be converted into Australian currency by Visa International and calculated at a wholesale market rate selected by Visa from within a range of wholesale rates or the government mandated rate that is in effect one day prior to the Central Processing Date (that is, the date on which Visa processes the transaction).
- d. All transactions made overseas on the Visa card are subject to a currency conversion fee equal to 2% of the value of the transaction and payable to Cuscal, the principal member of Visa International under which Defcredit can provide you with the Visa card. The amount of this currency conversion fee is subject to change from time to time and Defcredit will advise you in advance of any such change.
- e. Some merchants and EFT terminals impose a surcharge for making an EFT transaction. Once you have confirmed the transaction you will not be able to dispute the surcharge. The surcharge may appear on your statement as part of the purchase price.
- f. Before travelling overseas, you or your subsidiary cardholder should consult Defcredit to obtain the Visa International Card Hotline number for your country of destination. You should use the Visa International Card Hotline if any of the circumstances described in clause 16 apply.

7. Withdrawal and Transaction Limits

- a. You agree that the Visa Card / Redicard will not be used to:
 - (1) Overdraw any of your linked account(s); or
 - (2) Exceed the unused portion of your credit limit under any pre-arranged credit facility such as line of credit or overdraft.

- b. If clause 7(a) is breached, Defcredit may:
 - (1) Dishonour any payment instruction given; and
 - (2) Charge you an administrative fee as advised to you from time to time.
- c. Defcredit may at any time limit the amount of an EFT transaction and will advise you of any such daily or periodic transaction limits at the time of your application for the Visa Card / Redicard.
- d. You acknowledge that third party organisations including merchants or other financial institutions may impose additional restrictions on the amount of funds that may be withdrawn, paid or transferred.
- e. The current daily withdrawal limit is \$1,000 for PIN generated transactions.

8. Authorisations

You acknowledge and agree that:

- (a) Defcredit has the right to deny authorisation for any EFT transaction for any reason; and
- (b) Defcredit will not be liable to you or any other person for any loss or damage which you or such other person may suffer as a result of such refusal.

9. Account Statements

- a. Defcredit will send you an account statement for the linked account at least every three months. You may request more frequent account statements.
- b. In respect of any linked accounts which have a pre-arranged credit facility attached such as a line of credit or overdraft, Defcredit will send you an account statement monthly.
- c. You may request a copy of your account statement at any time.
- d. Defcredit may charge a fee for responding to any request by you to provide more frequent account statements or copies of your account statements.
- e. Statement of account can also be viewed using Online Banking and selecting the eStatements function.

10. Transaction Slips and Receipts

It is recommended that you check and retain all transaction slips, receipts and payment or transfer reference numbers issued to you after conducting an EFT transaction, as well as copies of all sales and cash advance vouchers, to assist in checking EFT transactions against your statements.

11. Subsidiary Cards

You may authorise Defcredit, if it agrees, to issue a subsidiary Visa Card or Redicard to your nominee provided this person is over the age of 18 (unless Defcredit agrees to a younger age).

- You will be liable for all transactions carried out by the subsidiary cardholder on the Visa Card or Redicard even after you have cancelled the card

- Defcredit will give the primary and the subsidiary cardholder a PIN
- The subsidiary cardholder's use of the Visa Card or Redicard and PIN is governed by the Visa/Redicard Conditions of Use section in this brochure
- You must ensure that each subsidiary cardholder protects their Visa Card or Redicard and PIN in the same way as these Conditions of Use require you to protect your Visa Card or Redicard and PIN
- If you instruct us to cancel a subsidiary card in writing, you will not be liable for any losses resulting from continuing (unauthorised) use of the subsidiary card following cancellation, provided you:
 - take all reasonable steps to ensure the cards(s) is destroyed or returned to us and
 - do not act fraudulently or otherwise cause the loss.

12. Renewal of the Visa Card / Redicard

- a. Unless you are in breach of these Conditions of Use or Defcredit deems otherwise for the security of the EFT System or individual accounts, Defcredit will automatically provide you and your subsidiary cardholder with a replacement Visa Card/ Redicard before the expiry date of the current Visa Card / Redicard or additional Visa Card / Redicard.
- b. If you do not wish to receive a replacement Visa Card / Redicard, either for yourself or for your subsidiary cardholder, you must notify Defcredit before the expiration date of the current Visa Card / Redicard. You must give Defcredit reasonable time beforehand to arrange cancellation of the issue of a replacement Visa Card / Redicard.

13. Cancellation and Return of the Visa Card / Redicard

- a. The Visa Card / Redicard always remains the property of Defcredit.
- b. Defcredit can immediately cancel the Visa Card / Redicard and demand its return at any time for security reasons or if you breach these Conditions of Use or the Terms and Conditions of your linked accounts, including capture of the Visa Card / Redicard at any EFT terminal.
- c. Defcredit may, at any time, cancel the Visa Card / Redicard for any reason by giving you 30 days written notice. The notice does not have to specify the reasons for the cancellation.
- d. You may cancel your Visa Card / Redicard or any Visa Card / Redicard issued to your subsidiary cardholder at any time by giving Defcredit written notice.
- e. If you or Defcredit cancel the Visa Card / Redicard issued to you, any Visa Card / Redicard issued to your subsidiary cardholder(s) will also be cancelled.
- f. You will be liable for any transactions you or your subsidiary cardholder make using the Visa Card / Redicard before the Visa Card / Redicard is cancelled but which are not posted to your linked account until after cancellation of the Visa Card / Redicard.

- (5) You alter the authorities governing the use of your linked account(s) unless Defcredit agrees otherwise.

14. Use After Cancellation or Expiry of the Visa Card / Redicard

- a. You must not use the Visa Card / Redicard or allow your subsidiary cardholder to use the Visa Card / Redicard:
- (1) Before the valid date or after the expiration date shown on the face of the Visa Card / Redicard; or
 - (2) After the Visa Card / Redicard has been cancelled.
- b. You will continue to be liable to reimburse Defcredit for any indebtedness incurred through such use whether or not you have closed your linked account(s) at Defcredit.

15. Your Liability in Case the Visa Card or Redicard is Lost or Stolen or in Case of Unauthorised Use

- a. You are liable for all losses caused by unauthorised EFT transactions unless any of the circumstances specified in paragraph b below apply.
- b. You are not liable for losses:
- (1) Where it is clear that you and your subsidiary cardholder have not contributed to the loss
 - (2) That are caused by the fraudulent or negligent conduct of employees or agents of:
 - Defcredit
 - Any organisation involved in the provision of the EFT System; or
 - Any merchant.relating to a forged, faulty, expired or cancelled Visa Card / Redicard or PIN.
 - (3) That are caused by the same transaction being incorrectly debited more than once to the same account
 - (4) That would exceed the amount of your liability to Defcredit had your Credit Union exercised its rights (if any) under the Visa International Rules and Regulations against other parties to those rules and regulations; or
 - (5) Resulting from unauthorised use of the Visa Card / Redicard or PIN:
 - (I) In relation to an EFT transaction which does not require a PIN authorisation, before receipt of the Visa Card / Redicard.
 - (II) In relation to an EFT transaction which requires PIN authorisation, before receipt of the PIN; or
 - (III) In either case, after notification to Defcredit in accordance with clause 16 that the Visa Card / Redicard is being used without authority, that it has been lost or stolen, or that PIN security has been breached.

- c. You will be liable for any loss of funds arising from any unauthorised EFT transaction using the Visa Card / Redicard or PIN if the loss occurs before notification to Defcredit or the Visa Card / Redicard Hotline that the Visa Card / Redicard has been misused, lost or stolen or the PIN has become known to someone else and if Defcredit proves, on the balance of probabilities, that you or your subsidiary cardholder contributed to the loss through:
- (1) Fraud, failure to look after and keep the PIN secure in accordance with clauses 4(b), (c) and (d), or extreme carelessness in failing to protect the security of the PIN; or
 - (2) Unreasonably delaying notification to Defcredit or the Visa Card / Redicard Hotline of the misuse, loss or theft of the Visa Card / Redicard or of the PIN becoming known to someone else and the loss occurs between the time you or your subsidiary cardholder did, or reasonably should have, become aware of these matters and the time of notification to Defcredit or the Visa Card / Redicard Hotline.

However, you will not be liable for:

- (I) The portion of the loss that exceeds any applicable daily or periodic transaction limits on your linked account(s)
 - (II) The portion of the loss on any linked account which exceeds the available balance of that linked account (including any pre-arranged credit); or
 - (III) All losses incurred on any account which you had not agreed with Defcredit could be accessed using the Visa Card / Redicard and PIN.
- d. Where a PIN was required to perform the unauthorised transaction and clause 15(c) does not apply, your liability for any loss of funds arising from an unauthorised transaction using the Visa Card / Redicard, if the loss occurs before notification to Defcredit or the Visa Card / Redicard Hotline that the Visa Card / Redicard has been misused, lost or stolen or the PIN has become known to someone else, is the lesser of:
- (1) \$150
 - (2) The actual loss at the time of notification to Defcredit or the Visa Card / Redicard Hotline of the misuse, loss or theft of the Visa Card / Redicard, or of the PIN becoming known to someone else (except that portion of the loss that exceeds any daily or periodic transaction limits applicable to the use of your Visa Card / Redicard or your linked account); or
 - (3) The balance of your linked account, including any prearranged credit.
- e. If, in cases not involving EFT transactions, the Visa Card / Redicard or PIN are used without authority, you are liable for that use before notification to your Credit Union or the Visa Card / Redicard Hotline of the unauthorised use, up to your current daily withdrawal limit.
- f. Notwithstanding any of the above provisions, your liability will not exceed your liability under the provisions of the Electronic Funds Transfer Code of Conduct, where that code applies.

- g. You must return your Visa Card / Redicard and any Visa Card / Redicard issued to your subsidiary cardholder to Defcredit when:
 - (1) Defcredit notifies you that it has cancelled the Visa Card / Redicard.
 - (2) You close your linked account(s).
 - (3) You cease to be a member of Defcredit.
 - (4) You cancel your Visa Card / Redicard, any Visa Card / Redicard issued to your subsidiary cardholder, or both

16. How to Report Loss, Theft or Unauthorised Use of the Visa Card or PIN

- a. If you or your subsidiary cardholder believe the Visa Card / Redicard has been misused, lost or stolen or the PIN has become known to someone else, you or your subsidiary cardholder must immediately contact Defcredit (if during business hours) or the Visa Card / Redicard Hotline at any time on its emergency number detailed in item f(2).
- b. The Visa Card / Redicard Hotline or Defcredit will acknowledge the notification by giving a reference number. Please retain this number as evidence of the date and time of contacting Defcredit or the Visa Card / Redicard Hotline.
- c. When contacting the Visa Card / Redicard Hotline, you or your subsidiary cardholder should confirm the loss or theft as soon as possible with Defcredit.
- d. The Visa Card / Redicard Hotline is available 24 hours a day, 7 days a week.
- e. If the Visa Card / Redicard Hotline is not operating at the time notification is attempted, the loss, theft or unauthorised use must be reported to Defcredit as soon as possible during business hours. Defcredit will be liable for any losses arising because the Visa Card / Redicard Hotline is not operating at the time of attempted notification, provided that the loss, theft or unauthorised use is reported to Defcredit as soon as possible during business hours.
- f. If the loss, theft or misuse, occurs outside Australia you or your subsidiary cardholder must notify an organisation displaying the Visa sign and also then confirm the loss, theft or misuse of the card:
 - (1) With Defcredit by telephone or priority paid mail as soon as possible; or
 - (2) By telephoning the Visa International Card Hotline number for the country you are in, which you must obtain from Defcredit prior to your departure in accordance with clause 6(f) of these Conditions of Use. Visa Card / Redicard Hotline Australia wide toll free 1800 224 004 Sydney Metropolitan Area (02) 9959 7480.

17. Steps You Must Take to Resolve Errors or Disputed EFT Transactions

- a. If you believe an EFT transaction is wrong or unauthorised or your periodical statement contains any instances of unauthorised use or errors, immediately notify Defcredit. You must give Defcredit the following information:

- (1) Your name, account number and Visa Card / Redicard number
- (2) The error or the transaction you are unsure about
- (3) A copy of the periodical statement in which the unauthorised transaction or error first appeared
- (4) An explanation, as clearly as you can, as to why you believe it is an unauthorised transaction or error, and
- (5) the dollar amount of the suspected error.

If your complaint concerns the authorisation of a transaction, Defcredit may ask you or your subsidiary cardholder to provide further information.

- b. Defcredit will investigate your complaint, and if it is unable to settle your complaint immediately to your and its satisfaction, it will advise you in writing of the procedures for further investigation and resolution and may request further relevant details from you.
- c. Within 21 days of receipt from you of the details of your complaint Defcredit will:
 - (1) Complete its investigation and advise you in writing of the results of its investigation; or
 - (2) Advise you in writing that it requires further time to complete its investigation.

Defcredit will complete its investigation within 45 days of receiving your complaint, unless there are exceptional circumstances.

- d. If Defcredit is unable to resolve your complaint within 45 days, it will let you know the reasons for the delay and provide you with monthly updates on the progress of the investigation and its likely resolution date, except where Defcredit is waiting for a response from you and you have been advised that the credit union requires such a response.
- e. If your complaint has not been resolved within 120 days of receipt of the details of your complaint, Defcredit will resolve the complaint in your favour.
- f. If Defcredit finds that an error was made, it will make the appropriate adjustments to your linked account including interest and charges (if any) and will advise you in writing of the amount of the adjustment.
- g. When Defcredit advises you of the outcome of its investigations, it will notify you in writing of the reasons for its decision by reference to these Terms and Conditions and the Electronic Funds Transfer Code of Conduct and advise you of any adjustments it has made to your linked account. If you are not satisfied with the decision, you may wish to take the matter further. You may contact the dispute resolution body with which Defcredit is a member:
 - Financial Co-operative Dispute Resolution Scheme (FCDRS),
 FCDRS contact details are:

The Ombudsman
 FCDRS
 PO Box 372
 Clayfield QLD 4011

Telephone: 1300 780 808 (and ask for FCDRS)

Facsimile: 1300 139 221

Email: ombudsman@fcdrs.org.au

Website: www.fcdrs.org.au

- h. If Defcredit decides that you are liable for all or any part of a loss arising out of unauthorised use of the Visa Card / Redicard or PIN, it will:
- (1) Give you copies of any documents or other evidence it relied upon; and
 - (2) Advise you in writing whether or not there was any system or equipment malfunction at the time of the relevant transaction.
- i. If Defcredit fails to carry out these procedures or causes unreasonable delay in resolving your complaint, Defcredit may be liable for part or all of the amount of the disputed transaction where that failure or delay has prejudiced the outcome of the investigation.

18. Transaction and Other Fees

- a. Defcredit will advise you whether it charges a fee, and the amount of such fee, for:
- Any transactions
 - Issuing the Visa Card / Redicard or any additional or replacement Visa Card / Redicards
 - Using the Visa Card / Redicard
 - Issuing the PIN or any additional or replacement PIN
 - Using the PIN
 - Issuing account statements; or
 - Any other service provided in relation to the Visa Card / Redicard.
- b. Defcredit will also advise you whether it will debit any of your linked accounts with government charges, duties or taxes arising out of any transaction.

19. Exclusions of Warranties and Representations

- a. Defcredit does not warrant that merchants displaying Visa / Redicard signs or promotional material will accept the Visa Card / Redicard in payment for goods and services. You should always enquire beforehand before selecting goods or services.
- b. Defcredit does not accept any responsibility should a merchant, bank or other institution displaying Visa / Redicard signs or promotional material, refuse to accept or honour the Visa / Redicard Card. Defcredit does not warrant that EFT terminals displaying Visa / Redicard signs or promotional material will accept the Visa Card / Redicard.
- c. Defcredit is not responsible for any defects in the goods and services acquired by you through the use of the Visa Card / Redicard. You acknowledge and accept that all complaints about these goods and services must be addressed to the supplier or merchant of those goods and services.

20. Malfunction

You will not be responsible for any loss you suffer because an EFT terminal accepted an instruction but failed to complete the transaction. If an EFT terminal malfunctions and you or your subsidiary cardholder should have been aware that the EFT terminal was unavailable for use or malfunctioning, Defcredit will only be responsible for correcting errors in your linked account and refunding to you any charges or fees imposed on you as a result.

21. Changes to Conditions of Use

- a. Defcredit reserves the right to change these Conditions of Use from time to time.
- b. Defcredit will notify you in writing at least 30 days before the effective date of change if it will:
 - (1) Impose or increase charges for the use of the Visa Card / Redicard and PIN or for issuing additional or replacement Visa Card / Redicards or PINs
 - (2) Increase your liability for losses; or
 - (3) Impose, remove or adjust daily or other periodic transaction limits applying to the use of the Visa Card/ Redicard, PIN, your linked account(s) or electronic equipment.
- c. Defcredit will notify you of other changes no later than the day the change takes effect by advertisement in the national or local media, notice in a newsletter or statement of account, or individual notice sent to you.
- d. Defcredit is not obliged to give you advance notice if an immediate change to the Conditions of Use is deemed necessary for the security of the EFT system or individual accounts.
- e. When the Visa Card / Redicard is used after notification of any such changes, you accept those changes and use of the Visa Card / Redicard shall be subject to those changes.

22. Miscellaneous

- a. You agree that you will promptly notify Defcredit of any change of address for the mailing of any notifications which Defcredit is required to send to you.
- b. Defcredit may post all statements and notices to you at your registered address as provided for in Defcredit's records.
- c. You can also elect to receive statements electronically via Online Banking. Notifications of statement availability will be emailed to the email address provided for in Defcredit's records.
- d. If the Visa Card / Redicard is issued on a joint account, each party to that account is jointly and severally liable for all transactions on the Visa Card / Redicard.

Defence Force Credit Union Limited
ABN 57 087 651 385 AFSL 234582

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Online Banking	defcredit.com.au
Telephone Banking	1300 366 808
BSB	803-205

B025 (12/09)



Defcredit
Service banking