

# Financial Hardship Policy

## Financial Hardship Policy

(annexing Summary of Financial Hardship Policy – see Schedule B)

### Introduction

This is Trufreedom's Financial Hardship Policy. We are committed to assisting our customers who are temporarily experiencing genuine Financial Hardship due to unforeseen circumstances, to pay their accounts and continue to purchase services from us. Assistance is provided in our Financial Hardship Policy and is open to individual persons or small businesses. We do not charge a fee for assessing, implementing or monitoring a Financial Hardship agreement.

We understand that financial hardship can make it difficult for some customers to pay their bills. This policy is designed:

- (a) to alleviate pressures in such cases;
- (b) to ensure, as far as possible, that our bills are paid; and
- (c) to maintain service, if that is feasible.

### TCP Code

This Financial Hardship Policy acknowledges the *Telecommunications Consumer Protections Code C628:2012* and we shall comply with the Code in relation to it. We will give you a copy of the Financial Hardship Policy Summary in Schedule B to this Policy:

- (a) upon request;
- (b) when you indicate to us that you are experiencing Financial Hardship; or
- (c) if we consider that you may be eligible for the Policy.

The Summary in Schedule B forms part of this Policy.

### Our contact details

We encourage you to contact us if you experience any difficulties paying our services. You can contact us to discuss any Financial Hardship matters as follows:

Financial Hardship Department: Credit Management  
Telephone: 1300 000 878  
Contact Hours: Monday – Friday 9.00am-5.00pm AEST

Email – All hours: [info@trufreedom.com.au](mailto:info@trufreedom.com.au) – processed during business hours  
Postal address – All hours: Level 9 440 Collins Street, Melbourne, VIC 3000 – processed during business hours

## Financial Hardship Definition

The Telecommunications Consumer Protections Code C628:2012 defines Financial Hardship as a situation where a customer is unable to discharge their financial obligations in relation to our services but where the customer expects to be able to do so over time if payment arrangements are changed.

Customer hardship can arise from a variety of situations. Hardship can be either of limited duration or long term. To illustrate, several of the common causes are listed below.

Hardship can result from a number of factors including:

- Loss of employment by the consumer or family member.
- Family breakdown.
- Illness including physical incapacity, hospitalisation, or mental illness of the consumer or family member.
- A death in the family.
- Heavy use of the service by customer (eg. from use of 190X numbers, GPRS or data roaming).
- Use of the service by a third party leaving the customer unable to pay the account.
- Natural Disaster.

## Who can claim financial hardship?

This policy is only available to our:

- (a) personal/residential customers; and
- (b) small business customers.

You are a personal/residential customer if you are an individual who acquires a telecommunications product for the primary purpose of personal or domestic use and not for resale.

You are a small business customer if you are a business or non-profit organisation which acquires from us one or more telecommunications products which are not for resale and, at the time you entered into your customer contract, you:

- (c) did not have a genuine and reasonable opportunity to negotiate the terms of the customer contract; and
- (d) had or would have an annual spend with us which was, or we estimated on reasonable grounds to be, no greater than \$15,000.

Customers who have chosen to transfer all of their services to another provider but still have an outstanding balance with us are ineligible for participation in our Financial Hardship Program.

## What counts as financial hardship?

We consider financial hardship a state that involves an ongoing real inability of the customer to pay bills, rather than an unwillingness to do so.

Financial hardship means a situation where:

- (a) you are unable to discharge the financial obligations owed under your customer contract with us or otherwise discharge the financial obligations you owe to us, due to illness, unemployment or other reasonable cause; and
- (b) you believe that you are able to discharge those obligations if the relevant payment arrangements or other arrangements relating to the supply of telecommunications products by us to you are changed.

## Reaching a Financial Arrangement

In order for us to apply this policy you must satisfy Us that you are experiencing financial hardship in the meaning of the above definition. The decision of whether you are experiencing financial hardship for the purpose of this policy will be made by Us, in Our sole discretion.

Once we agree You are experiencing Financial Hardship, We may at our discretion agree to a temporary financial arrangement which is different to the terms which ordinarily apply to You.

The basic principle of any agreed financial arrangement for Financial Hardship is that the repayment made by you should be sufficient to cover expected future use of the service (as adjusted to ensure your financial position does not worsen over a reasonable period of time), as well as providing continued reduction of debt at a reasonable level (i.e. you should not be going into further debt under the arrangement).

Customers who have chosen to transfer all of their services to another provider but still have an outstanding balance with Us are ineligible for participation in Our Financial Hardship Program.

## The Process

We will assess any application you make in a fair and timely manner. The following steps outline our assessment process.

### Step 1: You need to tell us about it.

Sometimes, we may become aware that you are experiencing hardship. But usually, we'll only know if you tell us. The first thing to do to make a hardship claim is contact us and tell us:

- (a) who you are;
- (b) what Trufreedom bills you have difficulty with;
- (c) what the difficulty is.

### Step 2: We ask for it in writing.

Now, there may be some unusual cases where you can't quickly get us anything in writing. If that seems to be the case, we'll try to deal with you on the telephone – but you must give us something in writing as soon as you can.

Schedule A is an Application Form and an income and expenditure form you may use to satisfy this requirement, which give us the initial details we almost always need. You must send any documentation we require to the following:

Financial Hardship Department: Credit Management  
Email – All hours: [info@trufreedom.com.au](mailto:info@trufreedom.com.au) – processed during business hours  
Postal address – All hours: Level 9 440 Collins St, Melbourne, VIC 3000 – processed during business hours

Our assessment of an application may be based on the information you provide or other information available to us. We may cancel any financial hardship arrangement if you have provided false or incomplete information.

### Step 3: We'll check if there are any disputed amounts.

Our financial hardship arrangements are for people who agree they owe money, but can't pay it for good reason. They don't apply if you dispute a bill or say you don't have to pay it. We'll ask you:

- (a) to clearly identify the problem bill/s;
- (b) to confirm they are not disputed; and
- (c) to confirm that you intend to pay when you reasonably can.

If there is a dispute, we'll refer you to our complaints handling policy instead of this financial hardship policy.

#### **Step 4: We'll decide if it could be considered as financial hardship.**

First, we'll consider if you're telling us you can't pay our bill/s. If you're not saying that, it's not a case of hardship.

Second, we'll consider whether non-payment is reasonable. For instance, if you cannot pay us because you choose to continue to pay a month-to-month yoga class membership, we might consider it unreasonable to pay that instead of your phone bill.

Third, we'll consider why you're financially restricted. Relevant reasons may include:

- (a) you lost your job;
- (b) a dependant of your lost their job and you have to support them;
- (c) family breakdown;
- (d) illness;
- (e) unexpected and unavoidable extra financial commitments e.g. medical bills from an accident.

We won't try to give a complete list, but these examples are good guidelines for the kinds of reasons we can accept. If your reasons are as serious and good as these ones, we'll be flexible about accepting them.

Fourth, we'll consider whether a change of arrangements could help you pay. If there's nothing we can do under this policy that would make any difference, we can't make a hardship arrangement with you. If all the above are satisfied, we'll accept that you are making a financial hardship claim.

#### **Step 5: We may ask for documentary proof.**

We encourage you to provide us with third party evidence, such as a report from a financial counsellor, or a bank, or Centrelink, to confirm the details of your financial hardship.

We may ask you to provide written evidence that you are telling us the truth. Normally, we'll ask for documentation if:

- (a) it looks like you'll need a hardship arrangement for a long time;
- (b) the amount involved is over \$500;
- (c) you have been our customer for less than six months;
- (d) we consider there is a reasonable possibility of mistake or fraud.

But we may ask for documentation in other cases, based on similarly serious reasons. Examples of documents we might require are:

- (e) evidence that you lost employment;
- (f) evidence that you have consulted a financial counsellor;
- (g) a statutory declaration by you;
- (h) a statutory declaration by someone familiar with your circumstances; and
- (i) a medical certificate.

The purpose of asking for documentation is to help justify your claim, and to help us be flexible about what arrangements may assist in your particular circumstances. We may require evidence of your capacity to pay e.g. a financial statement confirmed by a statutory declaration.

As a normal rule, if we ask you for any proof or documentation and you don't provide it within 10 working days, your hardship application is considered withdrawn. (But we won't unreasonably refuse to reinstate it if you later ask us to.) If we ask for documentation:

- (j) you must send it to the email address, postal address or fax number in section 3 of this policy, addressed to 'Financial Hardship Officer, Trufreedom; and
- (k) we will comply with applicable privacy laws.

#### **Step 6: We will make a decision about whether we accept that you've showed financial hardship**

We will do that within five working days after you have done what is required of you under steps 1 to 5. If you have an active email address, we will notify you by email. Otherwise, we'll normally notify you by post or any other method you asked for and we agreed to.

The rest of the steps assume that we have accepted that your claim of financial hardship.

## Step 7: We'll work with you to agree on a hardship arrangement.

Our notification under step 6 may include a proposal for a hardship arrangement. We will be flexible about arrangements, taking your circumstances into account. But we do have policy guidelines.

You must contact our Financial Hardship Officer by telephone, normally within 10 working days after we send the notification. If you do not contact the Financial Hardship Officer within the required time, your application will be considered withdrawn (but we will not unreasonably refuse to reinstate it if you contact us within a reasonable time and ask us to).

When you contact the Financial Hardship Officer, they (or a delegate they appoint) will discuss the proposed financial hardship arrangement with you, and see if you accept it or whether another arrangement can be agreed.

### Our policy guidelines

- (a) For existing debts, a deferred payment plan should ensure that the debt is paid:
  - (i) at not less than 10% of the amount outstanding a month; and
  - (ii) in full within three months.
- (b) Your debt should not increase after the end of the current billing period.
- (c) We will consider with you whether any changes to your service may help you retain service without increasing your debt e.g. by:
  - (i) call barring;
  - (ii) restricted access;
  - (iii) slower access;
  - (iv) prepayment;
  - (v) extended payment period up to 14 days longer than normal, for up to three months; or
  - (vi) waiving reconnection fees unless we are liable to a third party (e.g. wholesaler) for them.
- (d) An arrangement must be one that you can comply with. If no such arrangement appears possible within a reasonably flexible application of the policy, we cannot offer you a hardship arrangement.

### We won't normally take credit management action while we are discussing a possible arrangement with you, or an arrangement is in place.

We will suspend credit management action while an arrangement under this Policy is being discussed or is in place unless:

- (a) you do not meet your obligations under the arrangement; (In that event, if you do not contact us to discuss a new arrangement, we will take reasonable steps to contact you before taking credit management action.)
- (b) we decide it is reasonable to do so given the circumstances, e.g. to prevent a further increase in the debt owed; or
- (c) you agree that the arrangement is unable to be completed.

## Step 8: If we can reach an arrangement with you ...

Sometimes, it may not be possible to agree an arrangement with you within our policy guidelines (applied reasonably flexibly). If we do reach a hardship agreement with you:

- (a) we'll send you a summary of the arrangement by email or post;
- (b) the summary will include the amount and frequency of any 'catch up' payments you must make;
- (c) it will also note any service restrictions that will apply; and
- (d) you should contact us without delay if your circumstances change.

### During the term of a hardship arrangement:

- (a) you and we must comply with it;
- (b) we will monitor your compliance;
- (c) we will review the arrangement if you notify us that your circumstances have changed and request us to do so; and
- (d) we will not sell your debt.

### Our dealings with you

Our Financial Hardship Officer and delegates:

- (a) will treat you with courtesy and respect;
- (b) will be understanding in cases of genuine financial hardship;
- (c) are entitled to be treated by you with courtesy and respect; and
- (d) are entitled to act in our reasonable interests, especially in making sure claims are genuine and we are not disadvantaged without good cause.

### Costs associated with this policy

There are no costs to you for making a financial hardship application or otherwise in connection with this policy.

### Training

Our Financial Hardship Officer and delegates must:

- (a) read this policy in full before commencing duties and at least once each two months after that;
- (b) read Chapter 6 of the *Telecommunications Consumer Protections Code C628:2012* in full before commencing duties and at least once each six months after that; and
- (c) participate in all further training about the policy that we direct.

### Where to get more information and assistance

If you are experiencing financial hardship, there are a number of organisations which provide free counselling and assistance.

Financial Counsellors are trained and accredited to work in the local community to provide remedial, preventative and advocacy services for people in financial distress (or who are in danger of entering financial distress) with a focus on people of low income. They are generally funded by State and Federal Governments and services are provided free of charge. A Financial Counsellor works with you to clarify and analyse your financial situation, explain financial and legal documents and processes, and identify and discuss options for resolving financial problems.

While a Financial Counsellor may assist you in negotiating with creditors, you are always in control over what course of action will be taken. In some States, Consumer Advocates offer advice about consumer rights to Customers.

### Contacting your local Financial Counsellor or Consumer Advocate

QLD Financial Counselling Services of QLD (07) 3257 1957 NSW  
Credit and Debt Hotline 1800 808 488  
ACT Care Financial Counselling (02) 6257 1788  
VIC Consumer Credit Legal Service (03) 9602 3800 TAS  
Anglicare Financial Counselling 1800 243 232  
SA Uniting Communities Financial Counselling (08) 8202 5180 WA  
Financial Counsellors Resource Project (08) 9221 9411 NT Anglicare  
Financial Counselling (08) 8985 0000

You may ask us to deal with a Financial Counsellor on Your behalf. In order for Us to speak to a Financial Counsellor, the customer must be present, or we must have received prior authority from the customer to speak with the Counsellor on their behalf. Please contact us for further information.

To find a financial counsellor in your area visit [www.fcan.com.au](http://www.fcan.com.au).

### Schedule A: Initial hardship application details

Your name <sup>1</sup>	_____
Trufreedom account name <sup>2</sup>	_____
You are (please circle):	our customer / authorised representative of our customer <sup>3</sup>
You are (please circle):	<sup>4</sup> a residential customer / a small business customer <sup>5</sup>
Trufreedom Customer ID and service(s) your application relates to <sup>6</sup>	Customer ID: _____ _____ _____
Details of financial hardship <sup>7</sup>	_____ _____ _____
Do you have an existing financial hardship arrangement with Trufreedom?	Yes / No <sup>8</sup> _____ _____
If 'yes', details <sup>9</sup>	_____ _____ _____
I you wish to make an application for a financial hardship arrangement with Trufreedom. Please contact me about this matter. Your contact postal address:	
Your contact email address:	_____
Your signature	_____
Date	_____

<sup>1</sup> Note that only a Trufreedom customer, or their authorised representative, may submit this application.  
<sup>2</sup> Must be in name of same person as above, unless person above is their authorised representative.  
<sup>3</sup> Delete whichever inapplicable.  
<sup>4</sup> Delete whichever inapplicable.  
<sup>5</sup> As per Trufreedom Financial Hardship Policy.  
<sup>6</sup> Clearly identify each invoice that presents payment difficulties including following as applicable: name of invoiced party, date, invoice number, amount, service type.  
<sup>7</sup> Refer to Trufreedom Financial Hardship Policy for information on qualifying circumstances.  
<sup>8</sup> Delete whichever inapplicable.  
<sup>9</sup> Including date of arrangement if known.

**Income & Expenditure Details**

Name:		Account No:	
Address:			
Daytime Tel:		No of people at home:	
Evening Tel:		No of Adults:	
Mobile:		No and age of children:	
	Occupation (per applicant)		Temporary / Permanent
Applicant 1:			
Applicant 2:			
INCOME		EXPENDITURE	
Net Salary (applicant 1)	\$	Mortgage or Rent	\$
Commissions / Bonuses	\$	Other loans	\$
Other income	\$	Council rates	\$
Net Salary (applicant 2)	\$	Telephone - Landline	\$
Commissions / Bonuses	\$	- Mobile	\$
Other income	\$	Internet	\$
Investment / Superannuation income	\$	Water	\$
Income from rental properties	\$	Electricity	\$
Income from lodgers / boarders	\$	Gas	\$
Spousal Maintenance	\$	Buildings & contents insurance	\$
Child Support	\$	Health & life insurance	\$
Centrelink benefits / pension	\$	Prescriptions / Health Care	\$
Family Assistance allowance	\$	Groceries	\$
Disability / Sickness Benefit	\$	Child Support	\$
Retirement Pension	\$	Travel / Transport costs	\$
	\$	School fees	\$
Other benefits (please give details)	\$	Childcare fees	\$
	\$	TV / Foxtel	\$
	\$	Clothing	\$
	\$	Alcohol	\$
	\$	Tobacco	\$
	\$	Entertainment / Eating Out	\$
	\$	Lottery	\$
<b>TOTAL INCOME (A)</b>	<b>\$</b>	Car - registration	\$
		Car - insurance	\$
		Car - fuel / repairs	\$
		Other	\$
		<b>Please provide full details of the following overleaf:</b>	
		Loan Repayments	\$
		Vehicle/HP Loan	\$
Do you have a current bank account with direct debit facility?	YES / NO	Credit Card Repayments	\$
Is your bank account overdrawn?	YES / NO	Other	\$
If YES, by how much?	\$	<b>TOTAL EXPENDITURE (B)</b>	<b>\$</b>

**DECLARATION**

I /We declare that the information set out in this application is a true record of the facts and that where any estimate is given it is given in good faith.

Applicant 1

Applicant 2

Signature

Date

## Schedule B: Summary of Trufreedom's Financial Hardship Policy

### **Introduction**

Some personal/residential and small business customers who are experiencing financial hardship may be entitled to special arrangements for Trufreedom bills they cannot immediately afford to pay. Depending on your circumstances, there may be options for helping to manage your financial difficulty e.g. payment plans, service restrictions and spending caps.

Eligibility is set out in Trufreedom Financial Hardship Policy.

### **Contacting us about financial hardship**

You can contact us regarding financial hardship issues as follows:

Financial Hardship Department: Credit Management  
Telephone: 1300 000 878  
Contact Hours: Monday – Friday 9.00am-5.00pm AEST  
Email – All hours: [info@trufreedom.com.au](mailto:info@trufreedom.com.au) – processed during business hours  
Postal address – All hours: Level 9 440 Collins St, Melbourne, VIC 3000 – processed during business hours

The Financial Hardship Officer can provide more information and a copy of our policy.

You can also access it in our web site at: <http://www.trufreedom.com.au>

### **Information we may require**

To process a financial hardship enquiry or application, we first ask for an Application (which is attached to this Policy) that identifies you, your account, and other basic information. You must send it, and any other supporting documentation we require, to the email address, postal address or fax number above, addressed to 'Financial Hardship Department, Trufreedom.

We may require further documentation, depending on the nature and circumstances of your claim e.g. (if relevant):

- evidence that you lost employment;
- evidence that you have consulted a financial counsellor; a statutory declaration by you;
- a statutory declaration by someone familiar with your circumstances; a medical certificate.

Our assessment of an application may be based on the information you provide or other information available to us. If the information you provide is not sufficient for us to make an assessment, we will tell you that, and what other information is required. If you do not provide information as requested, an assessment may not be made. Provision of false or incomplete information may result in us cancelling any hardship arrangements.

### **How we assess an application – generally**

We try to be flexible, since there are many different possible circumstances. But generally:

We will check that the amount involved is not disputed. If it is, our Complaints Policy applies instead. We'll assess whether the application meets the definition for financial hardship.

We'll consider if non-payment of amounts is reasonable in all the circumstances.

Then we'll consider whether your reason for being unable to pay falls into those relevant under our Financial Hardship Policy.

Then we'll consider whether a financial hardship arrangement could assist you.

Then we'll consider an appropriate arrangement under our Policy and the *Telecommunications Consumer Protections Code C628:2012* and propose it to you. Where possible and appropriate, we will provide you with flexible repayment options to meet your individual circumstances.

We will make an assessment within 7 working days after you provide the last of any information or supporting documentation we reasonably require.

A proposed financial hardship arrangement has no effect unless and until you accept it. If you do not accept a proposed arrangement within 10 days, it is no longer open for acceptance. (But if you do not accept in that time for good reason, we will not unreasonably refuse to extend the proposal.)

If it becomes clear to us at any time that you do not meet the criteria for arrangement or assistance, we will inform you immediately.

### **Your rights and obligations if we enter a financial hardship arrangement**

You, and we, must comply with an agreed financial hardship arrangement. We will give you written details of the arrangement if you ask for them.

We will not pursue credit management action over a debt while a financial hardship arrangement covering that debt is in place and you are complying with it.

You must promptly advise us if your circumstances change during the term of the financial hardship arrangement.

### **Contacting your local Financial Counsellor or Consumer Advocate, who may be able to assist or advise for free.**

To find a financial counsellor in your area visit [www.fcac.com.au](http://www.fcac.com.au).