

Payday Lending Position Statement.

September 2020

Purpose

This statement outlines Westpac Group's approach to provision of products and services to customers who provide payday loans to consumers.

Scope

This statement applies to:

- Customers who provide payday loans to consumers regardless of the size or materiality of those activities relative to its operations.¹
- Provision of all products and services, excluding Insurance and Wealth Management (Superannuation, Investments and Platforms).
- All suppliers to the Group (e.g. sale of debt ledgers).
- Westpac Group Australia and New Zealand operating locations.

Usual aggregation requirements apply. Where the entity offering payday lending products is a separate business, all business will be captured by this statement where they would be aggregated for the purposes of assessing credit risk.

Our position

- We will not provide products and services to customers who provide payday loans to consumers or who are providing payday lending products within their product offering.
- We will cease to provide products and services to customers providing payday lending products as they are identified, at all times honouring the contractual maturities and a case-by-case assessment of the appropriate reasonable notice period.

¹ 'Payday loans' include Small Amount Credit Contracts under the National Consumer Credit Protection Act (2009) (Cth).

- The credit is not continuing;
- The credit provider is not an authorised deposit-taking institution (ADI) authorised under the Banking Act 1959 (Cth);
- The limit of the contract is \$2000 (or other amount set under the regulations);
- The term of the contract is between 16 days and 1 year; and
- The loan is not or will not be secured.

For WNZL customers, the applicable 'payday' lending definition includes businesses which are either:

- the contract is not a continuing credit contract;
- the lender is not first or second tier lender;
- the credit limit of the contract is \$2,000 or less;
- the term of the contract is not longer than one year;
- the borrower's obligations under the contract are not, and will not be, secured; and
- the annual interest rate under the borrowing exceeds 35%.

OR

- the lending is offered to a significant number of potential borrowers who may reasonably be considered "vulnerable" in the context of the NZ Responsible Lending Code.

Further information for Westpac users

Refer to the Risk Document Library for further guidance.

