Important changes to your Private Bank Cheque Account Terms and Conditions.

Effective 20 March 2013, Westpac will subscribe to the ePayments Code which replaces the current Electronic Funds Transfer Code of Conduct (EFT Code). The ePayments Code regulates consumer electronic payments including ATM, EFTPOS, debit and credit card transactions, online payments, Internet banking and BPAY®.

This document sets out changes that will apply to your current Private Bank Cheque Account Terms and Conditions to reflect our obligations under the ePayments Code. The changes will apply on and from 20 March 2013.

Why are we making this change?

As under the EFT Code, the ePayments Code will:

• require subscribers to provide customer disclosures in relation to fees, transaction limits and other terms and conditions;

• require subscribers to give receipts and statements in certain circumstances; and

• provide consumer protection in cases of fraud and unauthorised transactions.

The ePayments Code also introduces new protections, such as new complaints rules and a process to resolve mistaken Pay Anyone internet payments.

We have also taken the opportunity to make our Terms and Conditions clearer.

The changes in detail

Each amendment to the naming or numbering of any clause and any introduction on a new clause relevantly amends the contents page of the Terms and Conditions.

Part 1 Summary of fees and charges

No changes apply

Part 1 Summary of features and benefits

No changes apply

Part 1 Other bank charges

No changes apply

Changes to: Part 2 Section A Introduction

(a) In Clause 2 Changes to terms and conditions, the existing table is replaced with the table below:
<table>
<thead>
<tr>
<th>TYPE OF CHANGE</th>
<th>TIMEFRAME</th>
<th>METHOD OF NOTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum monthly balance required to waive the monthly service fee</td>
<td>30 days in advance</td>
<td>In writing, electronically, or through media advertisement</td>
</tr>
<tr>
<td>New fee or increase in fee for performing electronic transactions, or issuing or replacing a device used to conduct electronic transactions (such as a card or code)</td>
<td>30 days in advance</td>
<td>In writing or electronically</td>
</tr>
<tr>
<td>Other new fee or increase to a fee</td>
<td>30 days in advance</td>
<td>In writing, electronically, or through media advertisement</td>
</tr>
<tr>
<td>Interest rate changes</td>
<td>No later than the date of the change, except where the rate is linked to money market rates or other rates – changes to which we cannot notify you of in advance</td>
<td>In writing, electronically or through media advertisement</td>
</tr>
<tr>
<td>Change in the way interest is calculated, charged or paid to your account - or to the balance tiers which determine the interest rate or rates</td>
<td>30 days in advance</td>
<td>In writing or electronically</td>
</tr>
<tr>
<td>Changes increasing your liability for electronic transactions</td>
<td>20 days in advance</td>
<td>In writing or electronically</td>
</tr>
<tr>
<td>Transaction limits on electronic transactions, a facility or electronic equipment, including Pay Anyone</td>
<td>20 days in advance</td>
<td>In writing or electronically</td>
</tr>
<tr>
<td>Government charges</td>
<td>In advance of the change, or as soon as practicable afterwards, unless the change has been publicised by a government agency, government or representative body</td>
<td>In writing, electronically or through media advertisement</td>
</tr>
<tr>
<td>Any other change to a term or condition</td>
<td>In advance of the date of the change</td>
<td>In writing, electronically or through media advertisement</td>
</tr>
</tbody>
</table>

(b) In Clause 3 Definitions, the following definitions are added:

"Device" means an article we give to a user to perform electronic transactions

"Electronic transactions" means payment, funds transfer, and cash withdrawal transactions that are initiated on your account using electronic equipment and not intended to be authenticated by comparing a manual signature with a specimen signature.
‘Identifier’ means information that a user knows and must provide to perform an electronic transaction but is not required to keep secret.

‘Mistaken internet payment’ means a payment, other than one made using BPAY, by an individual through a ‘Pay Anyone’ internet banking facility and processed through direct entry where the funds are paid into the account of an unintended recipient because the user enters or selects a BSB number and/or identifier that does not belong to the intended recipient as a result of the individual's error or the individual being advised of the wrong BSB number and/or identifier.”

Changes to: Part 2 Section B General Matters

Replace the existing Clause 5 The Electronic Funds Transfer Code of Conduct, with a new Clause 5 as follows:

“5 THE ePAYMENTS CODE

The ePayments Code governs certain electronic payments to or from your account where you are an individual. For example, using your credit card or debit card at ATMs, online payments, telephone banking payments and Bpay®. We will comply with this Code where it applies.”

Changes to: Part 2 Section C A guide to using your account

(a) A new Clause 13.3 Switching to a Westpac account is introduced to read:

“13.3 Switching to a Westpac account

If you are seeking to switch your personal transaction account from another financial institution in Australia, we can assist in that switching process.”

(b) Clause 16.1 Current account information and account statements is amended to describe circumstances when account statements may not be issued.

Replace the first paragraph in Clause 16.1 with the following:

“A statement will be issued at least monthly. However, we may not provide you with a statement for a statement period if your account has a zero balance and there were no transactions during that period. Where applicable, we may cease mailing statements to you if after taking reasonable steps, we are unable to locate you. For some accounts, you may ask for statements to be sent to you more often.”

(c) Clause 19.4 How to stop a direct debit or a recurring payment is amended to confirm your ability to authorise another party to debit your account.

Replace the first paragraph in Clause 19.4 with the following:

“You can authorise another party to debit your account for payment of services (for example, life insurance premiums or medical benefit contributions). If you want to stop the arrangement, you can do this in two ways:
— contact the authorised party yourself to request a cancellation or
— we can contact the authorised party on your behalf to request a cancellation."

(d) A new Clause 23 Australian Government Financial Claims Scheme (FCS) is introduced:

“23 AUSTRALIAN GOVERNMENT FINANCIAL CLAIMS SCHEME (FCS)

The FCS provides a guarantee for deposits of eligible authorised deposit-taking institutions (ADI s) including Australian banks, building societies and credit unions. The Australian Prudential Regulation Authority (APRA ) is responsible for the administration of the FCS and for making payments to account holders in the event that APRA decides to place an ADI in liquidation. If that occurs, you may be entitled to payment under the FCS. Payments under the FCS are subject to a limit for each depositor. Information about the FCS can be obtained from the APRA website at www.apra.gov.au or through the APRA hotline 1300 55 88 49."

Changes to: Part 2 Section D A guide to using your account

(a) Existing Clauses 23-25 are renumbered Clauses 24-26.

(b) Existing Clause 26 Rules about your Westpac Debit MasterCard and HandyCard is renumbered Clause 27.

(c) Newly numbered clause 27.4 Daily withdrawal limit, has the sentence:

"Merchants or other providers may impose additional limits."

added as a new sixth paragraph.

(d) Newly numbered Clause 27.11 is replaced with the following clause. (This new clause means you are no longer required but are recommended to provide us with written notice of your dispute within the time frame stipulated by the MasterCard® scheme rules.)

“27.11 What to do if you want to dispute a Westpac Debit MasterCard transaction

If you need to dispute a transaction on your Westpac Debit MasterCard, you should do so in writing within the time frame stipulated by the MasterCard scheme rules, which is 90 days from the date of the transaction. If you do not dispute the transaction within this time frame, your ability to obtain a refund may be limited under the scheme rules. However, to avoid the possibility of your dispute being adversely impacted by administrative delays in the disputes process, we recommend that you lodge your dispute within 60 days of the transaction date. Please note that this time limitation does not apply to transactions made using a card and PIN."

Changes to: Part 2 Section E Ways of accessing your accounts

Existing Clauses 27- 32 are renumbered Clauses 28-33.
Changes to: Part 2 Section F Security and liability for Cards, Telephone Banking and Westpac Online Banking usage

(a) Existing Clauses 33-34 are renumbered Clauses 34-35.

(b) The sixth paragraph in the newly renumbered Clause 34.3 Protecting your PIN and other access codes, is amended to read as follows:

"Please note: Liability for losses resulting from unauthorised transactions is determined under the relevant provisions of the ePayments Code where that Code applies."

(c) Newly renumbered Clause 34.4 Loss or theft of a card or PIN is amended to clarify what to do if your card or access code(s) are lost, stolen or misused:

“34.4 Loss, theft or misuse of a card, PIN or other code

You must immediately notify us if your card or PIN or code record is lost or stolen or misused, or you suspect that unauthorised transactions have been made on any account. This will enable us to put a stop on your card straight away preventing or minimising losses resulting from unauthorised transactions and your potential liability for such losses (see ‘when the account holder is liable’). The best way to contact us is by contacting your Private Banker or, for cards or PINs, calling our Cards Customer Service Call Centre on:

— 1300 651 089 if you are calling within Australia
— +61 3 6345 1058 if you are calling from overseas.

If your Westpac Debit MasterCard® is lost overseas you may report the loss to:

— MasterCard Global Cardholder Services or
— any financial institution displaying the MasterCard logo.

We will give you a notification number or some other form of acknowledgment which you should retain as evidence of the date and time of your report.

We may require you to confirm your report at one of our branches and complete certain documentation.

If you can’t contact us by phone because our emergency telephone numbers are not available, you will not be responsible for unauthorised use of your card, PIN or other code which could have been prevented if you were able to contact us by phone provided that you tell us of the loss, theft or misuse of your card, PIN or other code within a reasonable time from the re-establishment of our telephone reporting facilities."

(d) Newly renumbered Clauses 35.1, 35.2 and 35.3 are amended as set out below to clarify circumstances when you will be liable, or will not be liable for unauthorised transactions:

“35 LIABILITY FOR UNAUTHORISED TRANSACTIONS

35.1 When the account holder is not liable

The account holder will not be liable for losses resulting from unauthorised transactions where it is clear that the cardholder has not contributed to the loss.

The account holder will not be liable for losses resulting from unauthorised transactions that:
— are caused by the fraudulent or negligent conduct of our staff or agents or of companies involved in networking arrangements or of merchants (ie providers of goods or services) who are linked to the electronic funds transfer system or of their agents or employees or
— require the use of a card or other device and/or a code and happen before the cardholder receives their card or other device or receives or selects their code(s) (as the case may be), including a replacement or reissued card, other device or code or
— require the use of a card or other device and/or code and happen after we have been notified that the card or other device has been misused, lost or stolen or that the security of the code has been breached or
— require the use of a card and happen after you have requested us to cancel the card and have either returned the card to us, or taken all reasonable steps to have the card returned to us (see clause 27.5 for card cancellation) or
— are made with a card, code or with any other device or identifier that is forged, faulty, expired or cancelled or are the result of the same transaction being incorrectly debited more than once to the same account or
— are electronic transactions able to be made using an identifier without a code or device or
— are electronic transactions able to be made using a device and not a code, provided the account holder did not unreasonably delay in reporting the loss or theft of the device.

35.2 When the account holder is liable

The account holder will be liable for losses resulting from transactions which are carried out by the cardholder, or by another person with the cardholder’s knowledge and consent.

The account holder will be liable for actual losses resulting from unauthorised transactions caused by the cardholder:
— engaging in fraud or
— voluntarily disclosing any of their codes to anyone, including a family member or friend or
— keeping a record of a PIN or any other code
   — without making a reasonable attempt to disguise it or to prevent unauthorised access to it and
   — in a way that it could be lost or stolen with their card (in the case of a PIN ) or any device to which the code relates or
— keeping a record of a code:
   — without making a reasonable attempt to disguise it or to prevent unauthorised access to it and
   — where more than one code is used, recording both/all codes in a way that they could be lost or stolen together or
— writing their PIN on their card or
— writing their code on the device to be used with that code or
— selecting a code which represents their birth date, or being an alphabetical code which is a recognisable part of their name, after we have asked them not to select such a code and told them of the consequences of doing so or
— leaving a card in an ATM (provided the ATM incorporates reasonable security standards that mitigate the risk of a card being left in the ATM ) or
— acting with extreme carelessness in failing to protect their codes.
The account holder will also be liable for actual losses resulting from unauthorised transactions caused by the user unreasonably delaying notifying us of the misuse, loss or theft of their card or other device, or of their code(s) becoming known to someone else.

The account holder’s liability will only extend to losses which occur between the time when the user became aware (or should reasonably have become aware) of such misuse, loss or theft and when we were actually notified.

However the account holder will not be liable to pay for:
— that portion of the losses incurred on any one day which exceed the daily transaction limit applicable to the card, their account(s) or the relevant device
— that portion of the losses incurred which exceed the balance of their account(s), including any pre-arranged credit or
— losses incurred on any accounts which the account holder and the Bank had not agreed could be accessed using the relevant device or
— losses occurring after we have been notified that the card or other device has been misused, lost or stolen or that the security of the code has been breached.

The account holder’s liability is subject to the Bank proving on the balance of probability that the user contributed to the losses in one or more of the ways listed above.

If more than one code is required to perform a transaction and we prove that a user breached the security requirements for one or more, but not all, of those codes, you will be liable under this clause only if we also prove, on the balance of probabilities, that the breach of the security requirements was more than 50% responsible for the losses.

35.3 When limited liability applies

The account holder will only be liable for losses resulting from unauthorised transactions to a limited extent, in circumstances where it is unclear whether the user contributed to the loss. The account holder’s liability in such cases will be the least of:
— $150 or
— the balance of the linked account(s), including any prearranged credit or
— the actual loss at the time we are notified of the misuse, loss or theft of the card or of the code(s) becoming known to someone else (excluding that portion of the loss incurred on any one day which exceeds the applicable daily transaction limit).

You will not be liable for losses resulting from an unauthorised electronic transaction made using your Card to the extent they exceed what the Account Holder’s liability would have been had we exercised any rights we had under the rules of the relevant credit card scheme at the time you reported the unauthorised transaction to us against other parties to the scheme.

Notwithstanding anything else in these terms and conditions, for transactions governed by the ePayments Code, we do not deny a user’s right to claim consequential damages resulting from a malfunction of a system or equipment provided by a party to a shared electronic payments network that you are entitled to use pursuant to these terms and conditions (such as a merchant or us) except where a user should reasonably have been aware that the system or equipment was unavailable or malfunctioning, in which case our liability for any loss arising from the equipment or system unavailability or malfunction is limited to:

(a) correcting any errors; and

(b) refunding any fees or charges imposed on the user.”
A new Clause 36 is added to your Terms and Conditions to describe the processes and liabilities applicable to Mistaken Internet Payments:

**36 MISTAKEN INTERNET PAYMENTS**

This clause 36 does not apply to BPAY® payments. See clause 31 for information about BPAY® payments.

36.1 Reporting mistaken internet payments

You should report mistaken internet payments to us as soon as possible after you become aware of them. You can report mistaken internet payments to us by visiting a Westpac branch or by calling Customer Call Centre on

- 132 032 if calling within Australia;
- +61 3 6345 1058 if calling from overseas.

We will give you a notification number or some other form of acknowledgement which you should retain as evidence of the date and time of your report.

36.2 Dealing with mistaken internet payments

Mistaken internet payments will be dealt with by us in accordance with the ePayments Code, where that Code applies to the payment. Set out at clauses 36.3 to 36.4 is a summary of the processes in that Code.

We may be the **sending** institution, namely the financial institution whose customer made the payment or the **receiving** institution, namely the financial institution whose customer received the payment (this customer is the **unintended recipient** of the payment). We will be the sending institution where the payment is made from your Westpac account. We will be the receiving institution where the payment is made to your Westpac account.

Where a financial institution other than us is the receiving or sending financial institution, we cannot guarantee that it will follow the processes in the ePayments Code. A financial institution is unlikely to follow these processes if it is not an authorised deposit-taking institution for the purposes of the Banking Act. We are not liable for any loss suffered if it does not follow those processes.

Where the sending institution is not satisfied that a payment is a mistaken internet payment, it is not required to take any further action.

Notwithstanding anything set out below, where the unintended recipient of the mistaken internet payment is receiving income support payments from Centrelink, the receiving institution must recover the funds from that recipient in accordance with the Code of Operation for Centrelink Direct Credit Payments.

Where you or another financial institution advises us that you are, or we think you may be, the sender or recipient of a mistaken internet payment, you must give us, as soon as reasonably practicable and within the time we request, any information we reasonably require to enable us to determine whether the payment was a mistaken internet payment.

36.3 Where sufficient funds are available in the unintended recipients account

Where the sending institution is satisfied that the mistaken internet payment occurred and there are sufficient credit funds available in the account of the unintended recipient to the value of the mistaken internet payment, the process that will apply will depend upon when the report of the mistaken internet transaction is made:

Where the report is made within 10 business days of the payment:
• if the receiving institution is satisfied that a mistaken internet payment has occurred, it will return the funds to the sending institution within 5 business days of the request or any reasonably longer period up to a maximum of 10 business days.

Where the report is made between 10 business days and 7 months of the payment:

• the receiving institution will investigate the payment and complete the investigation within 10 business days of receiving a request;
• if the receiving institution is satisfied that a mistaken internet payment has occurred, it will prevent the unintended recipient from withdrawing the funds for a further 10 business days and notify the unintended recipient that they will withdraw the funds if that recipient does not establish they are entitled to the funds within that 10 day period.
• if the unintended recipient does not establish they are entitled to the funds within that time, the receiving institution will return the funds to the sending institution within 2 business days of the end of that period.

Where a report is made after 7 months of payment:

• If the receiving institution is satisfied a mistaken internet payment occurred, it must seek the consent of the unintended recipient to return the funds.

In each case where the receiving institution is not satisfied that a mistaken internet payment has occurred, it may (but is not required to) seek consent of the unintended recipient to return the funds.

Where the funds are returned to the sending institution, it will return the funds to the holder as soon as practicable.

36.4 Where sufficient funds are not available

Where both the sending and receiving institution are satisfied that a mistaken internet payment has occurred but there are not sufficient credit funds available in the account of the unintended recipient, the receiving institution will use reasonable endeavours to recover the funds from the unintended recipient.

36.5 Where you receive a mistaken internet payment

Where:

(a) both we and the sending institution are satisfied that a payment made to your account is a mistaken internet payment; and
(b) sufficient credit funds are available in your account to the value of that payment; and
(c) the mistaken internet payment is reported 7 months or less after the payment; and
(d) for mistaken internet payments reported between 10 business days and 7 months of the payment, you do not establish that you are entitled to the payment within the relevant 10 business day period referred to in clause 36.3, we will, without your consent, deduct from your account an amount equal to that mistaken payment and send that amount to the financial institution of the payer in accordance with clause 36.3 above.

If there are insufficient funds in your account, you must cooperate with us to facilitate payment by you of an amount of the mistaken internet payment to the payer.

We can prevent you from withdrawing funds the subject of a mistaken internet payment where we are required to do so to meet our obligations under the ePayments Code.
36.6 Liability for losses arising from internet payments

You must ensure that internet payment details are correct. You and your user are solely responsible for providing correct payment details including amount and payee details. We will return to you any funds recovered by us on your behalf from an unintended recipient in respect of a mistaken internet payment but otherwise have no liability to you or your user for any payment made in accordance with details provided by you or your user including mistaken internet payments. “

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