

# **Exetel Financial Hardship Policy**

Financial Hardship means a situation where:

*(a) due to reasonable cause a Customer is unable to discharge their financial obligations under their contract with the Supplier; and*

*(b) the Customer reasonably expects to be able to discharge those obligations if payment or Service arrangements are changed.*

Financial hardship can be limited or long term duration.

## **Financial Hardship Events**

Financial hardship can arise from a variety of factors or events, like:

- Unemployment of the customer or a family member
- Domestic family breakdown
- Illness, by the customer or family member
- Death in the family
- Overuse or abuse of services
- Overuse or abuse of services by known 3rd party of customer
- Natural disaster; etc

## **Genuine inability to (re)pay**

Of course on the event(s) that arise for the customer having a genuine inability to (re)pay, and where the admission of the outstanding amounts owed by the customer is forthcoming, Exetel will assist any customer.

## **Refusals to (re)pay**

Refusals to (re)pay usual occur due to;

- a) of the amount due (size) may give rise to surprise/objections or
- b) an absence of knowledge that a payment arrangement can be negotiated.

Where there is no genuine effort or genuine event to financial hardship, Exetel will not be able consider or assist and we may start or proceed with debt collection/credit management processes.

## **Negotiating a (re)payment arrangement**

Firstly, an admission to the amount owed must be agreed upon, ie: acknowledgement of the amount owed by the customer and that a (re)payment arrangement can be suggested by Exetel Pty Ltd.

All discussions will be in a sensitive / empathetic co-ordinated approach, with an overall aim/effort to quell anxiety & associated stress.

Appreciably, an honest assessment by the customer of their ability to subsequently (re)pay the whole amount (deferment of debt) or progressive reduction over reasonable time is paramount and is the target outcome in all Financial Hardship situations.

The customer must also acknowledge that where the event may cause an enduring financial hardship period, that a reduction/adjusted of service(s) or type of service(s) will have to be seriously considered.

This may be considered to permit reductions or adjusted service(s) at a lesser rate that is affordable by the customer at the time. This aims to achieve an outcome that Exetel Pty Ltd will not just disconnect a service, and we may still be able to provide limited/adjusted service during the financial hardship event, either for temporary or medium to long term situations.

## **Assessment and Consideration**

A true and factual representation to the customer's current incomings and outgoings, provided with evidence to substantiate would normally be asked for, but we will not normally seek an extensive detailed analysis if the amount owed has not surpassed \$300. Exetel will advise the customer if we will not seek this (if it's below \$300).

## **Agreement in force**

Where we have agreed on an (re)payment arrangement, we will not proceed or start any credit management/debt collection actions

We will provide you with a dedicated representative to discuss any matter, pre & post an agreement.

We will consider amendments to the arrangement should your circumstances change.

You agree to provide us with business hours contact details, for yourself, or for any person/entity you appoint to represent you.

## **Failure to keep in contact or failure to (re)pay**

Exetel considers a failure to keep in contact or failure to pay a breach of the agreement. However, we will consider the circumstances in which you may have failed to do something.

If the customer can provide a legible reason or reasons, like a 3rd party or event prevented the ability to (re)pay, then we will not invoke any breaches of the agreement.

Where there is a recurring event or reason, we will seek an amendment to the agreement to cater for such.

Where there is an absolute absence by the customer to keep in contact and to (re)pay, we will with sufficient notification to the last known contact method (e-mail, letter, voicemail) advise you of the termination of the agreement, and the start of debt collection/credit management.

# Seeking assistance from a Financial Counsellor

We understand that seeking help/assistance from others may be hard for various reasons, or that you would prefer to seek help/assistance in an informal manner.

Exetel can provide you with a list of Financial Counselling services, as detailed below to assist you or you may come in to personally speak to us so we can go through and outline this policy and the below.

Source: <http://www.afccra.org/counselling.htm>

## Victoria

Consumer Affairs Victoria: 1300 55 81 81  
advice on credit and debt issues  
Website: <http://www.consumer.vic.gov.au>

Consumer Action Law Centre: 03 9629 6300  
credit advice and referral to a financial counsellor  
Website: <http://www.consumeraction.org.au>

Financial and Consumer Rights Council: 03 9663 2000 or 1800 134 139  
referral to a financial counsellor  
Website: <http://www.fcrc.org.au>

## New South Wales

Credit and Debt Hotline: 1800 808 488 or 02 9212 4111  
telephone advice and referral to a financial counsellor  
Website: <http://www.cclnsw.org.au>

Financial Counsellors' Association of New South Wales: 0500 888 079  
referral to a financial counsellor  
Website: <http://www.financialcounsellors.asn.au>

## ACT

Care Financial Counselling Service: 02 6257 1788  
telephone advice and referral to a financial counsellor  
Website: <http://www.carefcs.org>

## South Australia

Uniting Care Wesley Adelaide: 08 8202 5180  
referral to a financial counsellor

Northern Community Legal Service: 08 8281 6911  
telephone advice and referral to a financial counsellor

South Australian Financial Counsellors Association:  
Website: <http://users.bigpond.com/safca/>

## **Western Australia**

Financial Counsellors Resource Project: 08 9221 9411  
referral to a financial counsellor  
Website: <http://www.fcrp.org.au>

Consumer Credit Legal Service: 08 9221 7066  
telephone advice and referral to a financial counsellor

Financial Counsellors Association of Western Australia: 08 9325 1617  
Website: <http://www.financialcounsellors.org>

## **Tasmania**

Anglicare Financial Counselling Service: 1800 243 232  
referral to a financial counsellor  
Website: [www.anglicare-tas.org.au](http://www.anglicare-tas.org.au)

Consumer Credit Solicitor, Hobart Community Legal Service: 03 6223 2500 or 1800 232 500  
telephone advice and referral to a financial counsellor

## **Queensland**

Financial Counsellors Association of Queensland: 07 3321 3192  
Website: <http://www.fcqn.asn.au>  
referral to a financial counsellor

## **Northern Territory**

Darwin 08 8985 0000; 08 8945 1533 or 08 8932 6111  
Alice Springs 08 8952 0377  
Katherine 08 8972 1571

# Examples of Financial hardship arrangement

## - Emergency financial commitments (1-30 days)

Usually a one off event to pay for something, that was necessary, and unavoidable.

Arrangement particulars: Usually this involves that current due amount to be postponed and thus payable until the next billable period, and where a definite promise to pay both months (overdue and next) on the next due bill date.

## - Temporary or one off (short term) financial commitments (1-30 days)

This is where you may have had other financial commitments, and if you were to make payment to Exetel Pty Ltd, this may leave you in a serious predicament of defaulting on another promise to pay somewhere else, or likely inability to buy usual household groceries etc until your next incomings.

Arrangement particulars: Usually this involves that current due amount to be postponed and thus payable until the next billable period, and where a definite promise to pay both months (overdue and next) on the next due bill date.

## - Medium term financial commitments (30-60 days)

Usually occurs when a sudden cessation of usual incomings has taken place, and a medium period of financial recovery is required. Also usually involves that absolute necessities be given priority (groceries, medication, electricity, water etc) to assist manage the current level of finances.

Arrangement particulars: Discussion of honest assessment by customer to detail the circumstances, and alternate or adjusted service(s) consideration for ongoing use and level of debt, then revisit of circumstances at a agreed future date to discuss current situation (if improved or not) and (re)payment arrangement of outstanding/legacy debt.

Note: This can migrate to short term subsequently

## - Long term financial commitments (greater than 60 days)

Usually a dire situation, where the household and/or customer is in distress. Like multiple outstanding payment events, incomings are becoming, or are already at critical levels.

Arrangement particulars: Usually involves deferment of outstanding debt for a later date. Current services adjusted for a minimum type services or with restrictions. Could also be at the request of customer for a disconnection of services as well (moved premises for example) so as no continual debt is incurred.

Notes: Can migrate to medium term, then short term subsequently

## Debts forgone, extinguished or written off

Sometimes Exetel Pty Ltd considers the level of debt by a customer (where a service has already been terminated) and weighs that up against the likelihood of debt recovery. Where the level of debt

surpasses the costs of time/effort and maintenance, and with the calculation of our absolute wholesale costs consideration (product pricing model profit margin and loss of forecasting revenue is retired) we may extinguish the debt accordingly and write it off. However, we proceed to record the level of debt the customer has and may be a factor is denying future applications for services, until the legacy debt is (re)paid (at least at our wholesale costs).