



Policy	Vulnerable Person
Approver / Custodian:	MERC (Management Enterprise Risk Committee) / Chief Risk Officer
Effective Date / Cycle:	July 2022 / Triennially and / or following any material legislative change including regulatory feedback / guidance
Reviewer:	Chief Risk Officer
Version:	V1.0

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Notes:

Applies to:	All employees of Police Bank Ltd. (PBL) including Agents and Contractors who act on behalf of PBL.
Reason for Policy:	The purpose of this document is to support the Bank's team members with identifying and dealing with vulnerable Members.
Policy Summary:	This Policy provides guidance to all team members for the Bank's management of vulnerable Members in line with the Bank's obligations under its AFSL.

Document Version Control:

Version	Date	Comments
V1.0	July 2022	Initial document in alignment with ASIC Debt Collection Guidelines requirements.



1. Purpose

Police Bank Limited (the Bank) is an Authorised Deposit Taking Institution (ADI) who holds an Australian Financial Services Licence (AFSL) and Australian Credit Licence (ACL) No. 240018. As an AFSL holder, the Bank is subject to numerous obligations (ASIC, APRA etc.) that includes the need for identifying and protecting its Members who are vulnerable through experiencing specific life events or are disadvantaged in some way by their circumstances i.e. sudden illness, relationship breakdown, family violence or the death of a family member etc.

This Policy aims to protect vulnerable Members by preventing:

- misconduct arising from behaviour seeking to exploit major events (such as COVID-19 or similar environments), including predatory lending practices, mis-selling of unsuitable insurance or investment products and poor claims handling
- opportunistic conduct, such as scams, unlicensed conduct, and misleading or deceptive advertising
- disclosure of material negative information
- opportunistic and misleading announcements or marketing
- blatant governance failure within the organisation

This policy covers what is expected of the Bank's team members when they recommend products or services to vulnerable Members. Importantly, it also addresses the Bank's obligations as an Australian Financial Services Licence (AFSL) holder in relation to front-line staff, and mobile lenders to act in the best interests of the Member.

2. Policy

This policy sets out the means by which the Bank must deal with and protect the interests of vulnerable Members, which include:

- Guidance for team members to help identify vulnerable Members.
- The steps to take when dealing with vulnerable Members.
- Protocol for providing financial products and services to vulnerable Members.
- Help in meeting statutory and licensing requirements to comply with the financial services laws that protect the interests of all Members.

In implementing this policy, the Bank is committed to conducting business in accordance with the following regulatory requirements and industry best practices:

- Relevant sections under the ASIC Act 2001 (Cth) and Corporations Act 2001 (Cth) (Corporations Act) – Chapter 7
- Corporations Regulations 2001 - Chapter 7
- Customer Owner Code of Banking Practice (COBCOP)
- ASIC Regulatory Guide 271 – Internal Dispute Resolution (RG 271)
- Complaints Policy and Guidelines, Code of Conduct, Financial Service Guide (FSG), Design and Distribution Obligations (DDO) and related policies
- Police Bank's Australian Financial Services Licence (AFSL) Obligations
- ASIC Corporate Plan 2020–24
- Final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

3. Scope

This policy applies to all team members, including Directors and contractors acting on behalf of the Bank.

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4. Definitions

In this Policy, the following terms mean:

AFSL	Australian Financial Services Licence
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities and Investments Commission

5. Accountabilities

Accountabilities for this policy and its implementation are:

Executive Leadership Team (ELT) and Senior leadership Team (SLT)	Implement the vulnerable Members Policy and monitor its effectiveness. Regularly review the policy and make changes as required.
Team Members	Follow the guidelines and requirements to ensure that vulnerable Members are treated fairly and adequately.

6. Assisting vulnerable Members

To assist vulnerable Members, the following guidelines and regulatory requirements need to be met.

6.1. Who are vulnerable Members?

Identifying and dealing with vulnerable Members is one of the most demanding tasks for frontline team members in a financial institution. In general, a vulnerable Member is defined as someone who, due to their personal circumstances is especially susceptible to harm, particularly when the Bank does not act with appropriate levels of care.

Categories of vulnerable Members include but are not limited to:

- vulnerability due to educational limitations
- vulnerability due to language difficulties
- vulnerability due to health – including but not limited to mental health issues
- vulnerability due to inexperience with financial products
- vulnerability relating to domestic violence or family breakdown
- vulnerability arising from reduced decision-making capacity
- vulnerability due to age – elder financial abuse or age related impairment
- vulnerability due to personal circumstances – job loss, accident, sudden illness, divorce, addiction, death of a close relative etc.

The Bank’s team members must understand the issues which may affect a member and ensure that those members identified as being vulnerable are treated with the appropriate due care and respect.

6.2. Obligation to vulnerable Members

As an AFSL licensee, the Bank has the responsibility to do all things necessary to ensure that the financial services it is licensed to provide are provided efficiently, honestly, and fairly and to manage the risks associated with providing product and other advice to Members. This includes making sure team members identify and deal appropriately with vulnerable Members.

Accordingly, all team members have a responsibility to:

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- understand each Member by asking appropriate questions during the enquiry or fact-finding process
- provide advice that is factual and appropriate
- act in the best interests of Members in relation to the advice
- prioritise Members' interests if the Bank's interests conflict with those of the Member

6.3. Handling complaints from vulnerable Members

6.3.1 Internal Dispute Resolution (IDR)

The Bank's Complaints Policy and Guidelines prescribes the Bank's IDR process which requires that team members must treat all complaints promptly, fairly and consistently and all complaints must be handled within prescribed timelines. This Policy is made available to all team members through the Bank's Intranet.

6.3.2 External Dispute Resolution (EDR)

The Bank is a member of Australian Financial Complaints Authority (AFCA) who is the EDR scheme available to all Financial Institutions. AFCA provides free, independent and unbiased complaint management service to Members free of charge.

AFCA will review complaints based on their nature while paying special attention to vulnerable Members to ensure they are treated fairly and appropriately.

6.4. Debt Collection

The Bank must ensure it handles debtors appropriately and adequately in line with the ASIC Debt Collection Guideline requirements. A Member who is a debtor may be vulnerable for a variety of reasons that include experiencing mental health problems, mental capacity limitations or family violence. The Bank must ensure that all team members are aware that for those Members identified as being disadvantaged or vulnerable, are treated with sufficient sensitivity to ensure that they do not feel threatened, unduly harassed or coerced.

7. Training

The Bank must ensure that team members dealing with vulnerable Members have the knowledge, skills and necessary tools to effectively perform their rules through ongoing training to include:

- identifying vulnerable Members
- empathy, respect and courtesy
- awareness of cultural differences and the ability to identify Members with additional needs.

8. Review of Policy

This Policy will be reviewed by the Compliance & Governance team periodically to ensure it remains relevant and appropriate making changes as necessary.

9. Endorsement

The Bank is committed to this policy, its implementation and to ensure it complies with their obligations in relation to Vulnerable Members.