

Protected Payments Centrelink Code of Operation

The Centrelink Code of Operation (**Code**) is a non legally binding statement of best practice between:

- > the Department of Human Services,
- > Department of Veterans Affairs
- > Australian Bankers' Association (ABA),¹
- > Australian Finance Industry Association (AFIA),² and
- > Customer Owned Banking Association.

The purpose of the Code is to ensure that recipients of Australian Government payments have sufficient income to maintain adequate food and shelter, when a participating financial institution (namely, an Authorised Deposit Taking Institution (**ADI**), as defined in the Banking Act) is considering the amount they should recover for repayment of a debt.

We are party to the Code through our participation in the ABA and AFIA.

Under the Code, we can take **no more than 10%** of a member's Government payment when processing a request to repay or return the funds.

Specifically, if:

- > a member has a Qudos Bank account and is receiving Government benefits which are classified as a Protected Payment (see below), and
- > a lender (including us), Government Department or Court Order (including Garnishees) requires payment from one of our member accounts, and
- > there is no pre-existing payment arrangement on the account, therefore we can only withdraw up to 90% of the member's Protected Payment, in accordance with our obligations under the Code.

This means that before we respond to a request to repay or return funds, we must ensure that the payment doesn't fall under one of the Protected Payments listed below.

If the payment falls within one of these categories, we are limited to how much we can withdraw from the account.

¹ Qudos Bank is a member of the ABA.

² Qudos Bank is a member of AFIA.

The following payment are considered as Protect Payments:

1.	ABSTUDY	21.	Sickness Allowance	41.	Low Income Family Supplement
2.	Age Pension	22.	Special Benefit	42.	Low Income Supplement
3.	Australian Victim of Terrorism Overseas Payment	23.	Widow Allowance	43.	Newborn Upfront Payment and Newborn Supplement
4.	Austudy	24.	Widow B Pension	44.	Pension Bonus Bereavement Payment
5.	Bereavement Allowance	25.	Wife Pension	45.	Pension Bonus Scheme
6.	Carer Allowance	26.	Youth Allowance	46.	Pension Bonus Top Up
7.	Carer Payment	27.	ABSTUDY supplements	47.	Pensioner Education Supplement
8.	Crisis Payment	28.	Assistance for Isolated Children	48.	Pension Loans Scheme
9.	Disability Support Pension	29.	Baby Bonus	49.	Pharmaceutical Allowance
10.	Double Orphan Pension	30.	Bereavement Payment	50.	Remote Area Allowance
11.	Education Entry Payment	31.	Carer Adjustment Payment	51.	Rent Assistance
12.	Farm Household Allowance	32.	Carer Supplement	52.	Single Income Family Supplement
13.	Income Support Bonus (payment no longer exists)	33.	Child Care Benefit	53.	Stillborn Baby Payment
14.	Mobility Allowance	34.	Child Care Rebate	54.	Telephone Allowance
15.	Newstart Allowance	35.	Child Disability Assistance Payment	55.	Utilities Allowance
16.	Parental Leave Pay	36.	Clean Energy Advance	56.	Work Bonus
17.	Parenting Payment	37.	Dad and Partner Pay	57.	Youth Disability Supplement
18.	Partner Allowance	38.	Energy Supplement		
19.	Pension Supplement	39.	Essential Medical Equipment Payment		
20.	Schoolkids Bonus	40.	Family Tax Benefit		

Protected Payments - Department of Veterans' Affairs payments:

1.	Crisis payment
2.	Defence Force Income Support Allowance
3.	Education Entry Payment
4.	Income Support Supplement
5.	Periodic Payments of Wholly Dependent Partner's Pension
6.	Service Pension – age, invalidity, or partner
7.	War Widow Pension

Calculation

To calculate how much you can withdraw from the account, please use the following example:

1. The member needs to repay our loan and they receive an ABSTUDY supplement of \$200
2. You note this is a Protected Payment meaning that:
 - a. the member can keep \$180 (90% of the payment) to maintain food and shelter, and
 - b. we can take \$20 (10% of the payment) to repay our loan.

It is our responsibility to act within the Code and discuss the situation with the member. If the member wants to pay more than 10% (and go above the 90% threshold), they can do so if they wish.

FAQs

Question	Answer
1. What is a Protected Payment?	<p>A Protected Payment is an Australian Commonwealth identified payment (typically a Government benefit) under the Code, provided to individuals to ensure they are able to provide basic food and accommodation for themselves and their families.</p> <p>If a member receives a Protected Payment and owes us money (i.e. has a loan with us), we can only withdraw the maximum allowable amount which is 10% of the total Protected Payment.</p>
2. Who has agreed to the Protected Payments regime under the Code?	<p>A number of banks, building societies and credit unions (all ADIs) agree to the Code through their membership of the following industry associations:</p> <ul style="list-style-type: none">> Australia Bankers' Association (ABA)> Australian Finance Industry Association (AFIA)> Customer Owned Banking Association (COBA) <p>Qudos Bank has agreed to the Code, by being a member of the ABA and AFIA and signing to COBA's Customer Owned Banking Code of Practice.</p>
3. Do I need the member's consent to apply a Protected Payment to a debt?	<p>Yes. If the amount is more than 10% you will need to obtain consent.</p> <p>If no consent can be obtained we can:</p> <ol style="list-style-type: none">1. withdraw 10% of the payment, or2. restrict/freeze the account until contact can be made. <p>Once contact has been made we must reinstate the account.</p>
4. Can the member agree to pay more?	<p>Yes, if both the member and us mutually agree to a repay an amount of more than 10% which is also reasonable and appropriate in the customer's circumstances.</p> <p>The member must provide their consent (verbal or written) and this must be recorded in Bizedocs and/or Prosper.</p>

5. **Can the member enter a payment arrangement?** Yes, however, if the debt relates to a loan we have provided the member, any payment arrangement needs to be assessed by Credit Control.

Any arrangement with a member regarding debt repayment (whether through Credit Control or other frontline staff) needs to be adequately recorded. Specifically, records of:

1. Details of the matter being referred to Credit Control
2. payment arrangement details
3. any disagreements with the member
4. any information provided to the member on their rights and further avenues for disagreement resolution (i.e. our IDR and EDR process) .

Also, see “Do I need to add notes in Prosper (CRM)?”

6. **When are member payments not protected by the Code?** The Code doesn't protect the Member if:

- > the account is overdrawn due to a dishonest or unlawful act, or
- > a third party gets money owed from the account - for example, we have received a Court Order.

7. **If the member wants to dispute our withdrawal of a Protected Payment, what can they do?** If the member has a dispute with us regarding Protected Payment, we must:

1. try to resolve the issue ourselves first, this may result in referring the matter to Credit Control,
2. if the member is still dissatisfied, explain our internal dispute resolution (IDR) process and that we can escalate the matter as a complaint to a manager under our IDR process,
3. if the dispute has already been through our IDR, it can be reviewed by our external dispute resolution scheme, the Credit and Investments Ombudsman.

8. **Who handles Protected Payment transactions generally?**

- > For loans, hardship and bankruptcy – **Credit Control Department**
- > For responding to Court Orders, Garnishees, mistaken payments – **Transactional Services Department**

9. **Do I need to add notes in Prosper (CRM)?** Yes, all member interactions must be recorded in the CRM system.

Some tips for note taking:

1. Include a brief summary of the instruction received (including the context)
2. Use the “5 W” question technique (what, where, who, why and when) where applicable
3. always include important dates (i.e. Date the request was received and any third party requesting the information).

Do not copy and paste internal communications into Prosper (such as emails to other Qudos staff or managers).

10. Why is accurate Prosper note recording important?

It ensures we have captured our interaction with the member and the requesting party.

The information will be used by the us and may help protect us if an IDR or EDR complaint is lodged.
