

Optus Pay Financial Services Guide

16 November 2016



OPTUS

What this financial services guide is about

This Financial Services Guide (FSG) is issued by Optus Mobile Pty Ltd, ABN 65 054 365 696 (Optus).

The Optus Pay facility (Optus Pay) is issued by Heritage Bank ABN 32 087 652 024 AFSL 240984, pursuant to a license from Visa Worldwide Pte Limited.

The purpose of this FSG is to set out how Optus on behalf of Heritage will provide financial services to you and help you decide whether or not to use any of financial services offered by Optus in relation to Optus Pay, including:

- how you can contact Optus;
- the name and contact details of Optus's authorising Australian Financial Services Licensee for the financial services described in this FSG;
- what financial services Optus is authorised to provide;
- remuneration that Optus and other relevant parties may receive in relation to the financial services offered; and
- what to do if you have a complaint.

What other documents should you review?

Before the Optus Pay facility is issued to you, you will receive the most current Optus Pay Product Disclosure Statement with the original dated 8 February 2016 prepared by Heritage (the PDS). This can also be found on www.optus.com.au/optuspay. The PDS contains important information about Optus Pay to help you make an informed decision.

The PDS contains more detailed information about the Optus Pay product, its features, terms, conditions, costs, benefits and significant risks. The PDS is an important document and should assist you in deciding if the financial product is suitable for you.

How do you contact Optus?

You can contact the Optus Pay team at Optus at:

- Mail:** Optus - Customer Relations Group,
PO Box 306, SALISBURY SOUTH,
SA 5106
- Email:** via the "Contact Us" link on our external web site www.optus.com.au/optuspay
- Phone:** 133 937

Who is Optus' authorising licensee?

Optus is an authorised representative of Heritage Bank Limited (ABN 32 087 652 024 AFSL 240984) (Heritage). Optus's authorised representative number is 263122. Heritage is an authorised deposit-taking institution and the holder of Australian Financial Services Licence no. 240984.

Heritage can be contacted at:

- Mail:** Heritage Bank Limited, PO Box 190,
Toowoomba, QLD, 4350
- Phone:** 13 14 22 (from within Australia) or
+61 7 4694 9000 (from outside Australia).
- Fax:** 07 4694 9782 (from within Australia) or
+61 7 4694 9780 (from outside Australia).

What financial services are Optus authorised to provide?

Heritage is responsible for the financial services described in this FSG.

Heritage has authorised Optus to provide financial services on its behalf in relation to Optus Pay, which is issued by Heritage and is a non-cash payment facility that is a reloadable, virtual, Visa prepaid debit card (**Authorised Product**).

Optus is authorised to arrange for the issue, variation and disposal of the Authorised Product on behalf of Heritage.

Optus is only authorised to give general financial product advice about the Authorised Product in marketing materials. Optus is not authorised to provide personal financial product advice about the Authorised Product. This means that in arranging for the issue of the Authorised Product, Optus has not taken your personal objectives, financial situation or needs into account.

Heritage has professional indemnity insurance cover and other internal arrangements in place in respect to the financial services provided to retail clients. These arrangements comply with the requirements of Section 912B of the Corporations Act 2001.

How is Optus paid?

In offering Optus Pay, Optus will receive remuneration and benefits in respect of, or attributed to, the financial services that Optus is authorised to provide on behalf of Heritage. The remuneration and benefits will be payable in respect of Authorised Products that Optus has arranged for Heritage to issue to you.

Optus's remuneration consists of:

1. Commission based on the aggregate daily float balance of all Authorised Products. The commission is paid monthly in arrears based on daily balances, and is calculated by Heritage based on a rate determined by which of the following tiers the daily total balance falls into. The commission rate is based on the Cash Rate Target (CRT) published by the Reserve Bank of Australia. The CRT can vary and can be viewed at: www.rba.gov.au

- **Daily balances Commission rates**

That part of the float account balance	Cash rate target, less
up to \$999,999	2.5%
between \$1,000,000 and \$24,999,999	0.75%
between \$25,000,000 and \$99,999,999	0.25%
\$100,000,000 and above	0.1%

2. Each month, Heritage pays to Optus the following amounts that Heritage receives from you:
 - the fees and charges, which are fixed dollar amounts as listed in the PDS for the AuthorWised Product, debited to the available balances of the Authorised Products;
 - an amount equal to the amount of prepaid value which expired and was unused in respect of Authorised Products during the relevant month; and
 - 75% of the margin included in the foreign exchange rate applied in foreign exchange transactions undertaken using the Authorised Products.
3. Each month, Heritage pays to Optus the following amounts Heritage receives from Visa:
 - Visa interchange fees as calculated by Visa based on transactions using the Authorised Product and Visa Scheme rules as they relate to the Authorised Product at the time of the transaction. Heritage Bank will receive and will pass on to Optus the interchange fees paid by Visa where the facility is used to pay a merchant, calculated as a percentage of the transaction value.

You may request particulars of the remuneration (including commission) or other benefits set out above but you must make such a request within a reasonable time of being given this FSG and before we provide you with any financial service described in it.

How is Heritage paid?

Heritage receives the following amounts in respect of each Authorised Product issued to you:

1. An initial set up fee of \$1.00 and monthly service fee of \$0.10;
2. \$0.12 per transaction conducted through the Visa payment system and \$0.05 per transaction for peer to peer transfers between holders of the Authorised Products;
3. \$0.03 for each value reload from a non-Heritage Bank account;
4. \$1.00 for any replacement set up (ie. where your Authorised Product needs to be associated with a different SIM card, for example, if you have lost your telephone);
5. 25% of the margin included in the foreign exchange rate applied in foreign exchange transactions undertaken using the Authorised Products.

Additionally, Optus must reimburse Heritage for fees that Visa charges to Heritage in respect of the arrangements in place for the Authorised Products to utilise the Visa payment system and for the costs of any SMSs sent by Heritage to you in managing the Authorised Products.

Optus employee remuneration

Optus employees are remunerated by wages or salary. They may also receive commissions or benefits depending on the nature of their role. Benefits can be either monetary or non-monetary. Individual employees may also be eligible to receive performance bonuses or non-monetary benefits.

What should you do if you have a complaint?

You can direct complaints in the first instance to Optus, who will attempt to resolve the issue.

Heritage also has a dispute resolution system that covers complaints about the Authorised Product. You can access that dispute resolution system by contacting Heritage. Heritage's contact details are set out earlier in this FSG.

Heritage will seek to resolve your complaint within 21 days, although it is not always possible to do so. If Heritage is unable to resolve your complaint to your satisfaction within 45 days, you may be eligible to escalate the complaint to Heritage's external dispute resolution service. The period of 45 days may be extended in exceptional circumstances or where Heritage decides to resolve the complaint under the rules of the Visa scheme. If you wish to escalate the complaint, please tell Heritage, who will facilitate the referral free of charge.

Heritage uses the services of the Financial Ombudsman Service (FOS) for external dispute resolution and their contact details are as follows:

Mail: GPO Box 3, Melbourne VIC 3001

Phone: 1300 78 08 08

Fax: 03 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

Please note that the external scheme will refer your complaint back to Heritage if it has not already been investigated by Heritage.

Authorisation

The distribution of this FSG by Optus has been authorised by Heritage.

Financial Services Guide prepared on 1 November 2014 and updated on 16 November 2016. The current version is available at www.optus.com.au/optuspay.