

## FINANCIAL HARDSHIP POLICY

Commercial Credit Control Pty Ltd recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This policy establishes guidelines for assessment of a hardship application by applying the principles of fairness, integrity, confidentiality, and compliance within statutory requirements.

In times of genuine hardship, customers and/or their financial counsellor deserve easy access to empathetic and skilled staff who can promptly address their circumstance or concerns. Commercial Credit Control Pty Limited will provide this service by training all staff to identify financial hardship customers.

### ***Differentiating between 'Payment Difficulties' and 'Financial Hardship'***

A consumer experiencing payment difficulties may have the intention, but not the capacity to pay their bills. 'Payment Difficulties' can arise from a variety of situations, either gradually or suddenly, and can occur over a relatively short period. For example, the theft of a wallet may cause a payment difficulty but would not itself constitute financial hardship.

Whereas 'payment difficulties', refers to the short term, financial hardship is of long duration. If the consumer is experiencing financial difficulties, then alternate arrangements can be made in order to alleviate the consumer's current situation, by evaluating what the consumer can reasonably afford to pay in the first instance or by lowering the agreed amount of an existing arrangement.

Financial Hardship may be caused by (but is not limited to) sustained incidence of one or more of the factors listed below:

- Loss of the consumers primary income
- Spousal separation or divorce
- Physical and mental health issues
- Loss of a spouse or a loved one
- Chronically ill child
- Domestic Violence
- Budget management issues associated with low income; and
- Other unforeseen factors resulting in a consumer's capacity to pay, such as reduction of income or an increase in non-discretionary expenditure. Covid 19 has been a prime example of many consumers facing hardship by being stood down and loss of jobs unexpectedly.

Commercial Credit Control Pty Ltd expects its staff members to act with compassion and sympathy, yet still manage the situation within CCC's hardship guidelines. Team members are required to accept reasonable payment arrangements, considering each customer's individual circumstances.

In an instance where the consumer has contacted CCC to discuss a new arrangement and it is established that the consumer cannot pay the recommended instalment amount according to CCC's usual guidelines on arrangements, then negotiations with the consumer will be needed to be entered into.

Staff should listen, in every instance, as to why the consumer cannot afford the amount set out in company guidelines; an oral assessment is to be made of the consumer's circumstances. If the consumer qualifies, you must advise that submission of financial hardship paperwork is required.

In this instance you will accept the preferred arrangement (what you and the consumer mutually agree) and inform the consumer that financial hardship paperwork will be issued via email or mail and that they are required to complete the paperwork and return it to CCC. The agreed arrangement is to commence

## **FINANCIAL HARDSHIP POLICY**

whilst we are awaiting the return of the financial hardship paperwork. You further advise the consumer that the financial hardship application will be reviewed once it is received by our office and should it not fall under the financial hardship policy then immediate contact will be made with them.

If the consumer's financial hardship paperwork is accepted, acknowledgement is sent in writing, advising of our decision and the arrangement confirmed in writing, along with the consequences of non-adherence to the agreed terms. Advise the consumer that it is CCC's policy to review arrangements after three months.

The financial hardship paperwork is to be attached to the file for future reference. This information is personal and must be kept as such in accordance with National Privacy Principles. The application does not need to be returned to the client.

When an agreement is made on a Financial Hardship case, the agreement is made on the whole debt principal (amount owing). Any settlement offers made under financial hardship are to be submitted to our clients. CCC is the acting agent only on the account and any reduced offer to pay the debt remains in the hands of our client. The offer can be submitted to the client via CCC internal client contact procedure. If the client agrees to the terms of the settlement, you must inform the account holder of the client's decision.

### **Seeking the advice of a financial counsellor**

Should the consumer show signs of being overwhelmed by their financial situation and not be able to satisfy their account, then you can recommend that they seek assistance to manage their spending and advise that they may wish to meet with a financial counsellor. A financial counsellor's services might include helping them create a personal budget, providing advice on paying back creditors and bankruptcy, assisting with applications for government welfare assistance and giving them information about other support services such as legal aid.

Financial counselling services are generally provided by community organisations at no cost and any information provided will be kept confidential.

### **Contact a financial counsellor**

#### **Australian Capital Territory**

Care Financial Counselling Service  
Telephone: 02 6257 1788

#### **New South Wales**

Financial Counsellors Association of NSW  
Website: [www.financialcounsellors.asn.au](http://www.financialcounsellors.asn.au)  
Credit Line Helpline  
Telephone: 1800 808 488

#### **Northern Territory**

Anglicare Financial Counselling Service  
Telephone: 08 8948 2700 or 08 8985 0000

#### **Queensland**

Credit Help Line  
Telephone: 1300 887 400  
Financial First Aid  
1800 007 007

## **FINANCIAL HARDSHIP POLICY**

### **South Australia**

Uniting Care Wesley  
Telephone: 08 8202 5180

Northern Community Legal Service  
Telephone: 08 8281

Child Youth and Family Services  
Telephone: 08 8226 7000

The [South Australia Financial Counselling Association's](#) website lists financial counsellors in South Australia.

### **Tasmania**

Anglicare Financial Counselling Service  
Telephone: 03 6234  
Hobart Community Legal Service  
Telephone: 03 6223 2500

### **Victoria**

Financial and Consumer Rights Council  
Telephone: 03 9663 2000