

# Our Standard Terms and Conditions for Your Advanced Personal Loan

For StepUP loans offered  
with the assistance of  
Community Partners

28 August 2020





## **Important Information**

The information set out below forms part of your disclosure statement under the Credit Contracts and Consumer Finance Act 2003. It summarises important information relating to your Loan. Please also read the information on the reverse of the letter we provided with these Terms and Conditions offering a Loan to you ('Disclosure Letter').

### **Approved Loan Amount**

Your Approved Loan Amount is set out on the front of your Disclosure Letter. It is the maximum amount that may be drawn down if you decide to accept our offer of a Loan. It does not include interest, charges and other amounts that will be debited from your Loan Account in accordance with these Terms and Conditions. The amount you owe us will include your Approved Loan Amount and all interest, charges, and other amounts debited from your Loan Account in accordance with these Terms and Conditions.

### **Initial Unpaid Balance**

The unpaid balance on the date of your Disclosure Letter is nil.

### **Frequency of Continuing Disclosure**

You will receive statements for your Loan Account each month, unless we rely on your consent to receive information about your Loan Account through BNZ internet banking.

### **Method of Charging Interest**

Interest is charged at the interest rate set out in your Disclosure Letter. The interest rate will not change during the Term of your Loan. Interest is calculated daily by multiplying the outstanding principal amount of your Loan by the daily interest rate.

The daily interest rate is the annual interest rate set out in your Disclosure Letter divided by 365 (or 366 in a leap year). Interest is calculated and charged to your Loan Account on the closing date of each monthly statement. Interest will not be charged until the first day of your Term.

### **First Required Payment Date**

Your first Required Payment Date will be set out in the first statement we send to you after you tell your Community Loan Worker that you want the Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) drawn down.

## **Payment Frequency**

Repayments are required monthly. The Required Payment Date for each month will be set out in the monthly statements we send to you.

## **Loan Term and interest free period**

Your loan Term starts within 5 working days of the day your Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) is drawn down. We will decide the first day of the Term. You will only be charged interest on your Loan from the first day of your Term (this may not be the day that your Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) is drawn down). This means you may have up to 5 working days interest free.

## **Security**

As at the date of your Disclosure Letter we may hold security from you in relation to your obligations to us. If we do, we will not rely on that security in relation to your obligations under your Loan Account.

If you give us new security in the future, that new security will not secure your obligations to us under your Loan Account.

## **Your right to cancel**

You can cancel this contract for any reason. You have 8 working days after the date on which you receive your Disclosure Letter and the Terms and Conditions for StepUP loans to cancel this contract.

Saturdays, Sundays, national public holidays and the days in the period between 25 December and 2 January (inclusive) are not counted as working days for this purpose.

To cancel this contract you must:

- write to us at Bank of New Zealand PO Box 995, Shortland Street, Auckland 1140 to tell us you want to cancel this contract. You can also call us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas); and
- repay the Loan (if drawn down) in full.

If you cancel this contract we can still charge you interest for the period from the first day of the Term until the day you repay the principal amount of the Loan in full.

We can also charge you the amount of any reasonable expenses we had to pay in connection with this contract and its cancellation.

## **What to do if you suffer unforeseen hardship**

If something unexpected happens and you think you may be unable to meet your obligations under this contract we may be able to amend the terms of your contract to help you.

You may be able to make an application for a change to your contract if you suffer hardship. For example, if you are sick or injured, lose your job or your relationship has ended.

You need to apply to us in writing and explain why you think you cannot meet your obligations under this contract. You must also explain what changes to this contract will help you meet your obligations. For example, extending the Term of your Loan and reducing the amount of each Required Payment and/or giving you longer to pay the Required Payments for a period of time.

One way to make your application is by sending it to us at Bank of New Zealand, BNZ Care, Private Bag 92089, Auckland 1142. You can also visit any BNZ Branch.

If you are experiencing hardship, you should contact us as soon as possible. If you leave it for too long you may not be able to apply for a change to this contract.

## **Dispute Resolution**

We are registered as a financial service provider under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are registered under the name Bank of New Zealand and our registration number is FSP25101.

If we have made a mistake, or you are unhappy with our service, we will try to put it right quickly and fairly. You can:

- (a) talk to us at any of our branches or partners centres (please ask to speak to a manager if you would like to make a complaint);
- (b) call us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas).  
Visit [bnz.co.nz/contact](http://bnz.co.nz/contact) for opening hours; or
- (c) complete the email form on our website at [bnz.co.nz/about-us/contact-us/feedback-and-complaints/email-us-feedback](http://bnz.co.nz/about-us/contact-us/feedback-and-complaints/email-us-feedback), or contact us by secure messaging via BNZ internet banking.

If you are unhappy with how your complaint is being handled, please write to us at BNZ Customer Resolution, PO Box 995, Shortland Street, Auckland 1140. We offer a free complaints review procedure for handling complaints about any of our products or services. You can find further information about our complaints procedure on our website at [bnz.co.nz/about-us/contact-us/feedback-and-complaints](http://bnz.co.nz/about-us/contact-us/feedback-and-complaints)

We are also a member of the Banking Ombudsman Scheme which is an approved dispute resolution scheme. If you are unhappy with our investigation into your complaint and you want to refer a matter to the Banking Ombudsman, you can call +64 4 915 0400 (or freephone 0800 805 950), email [help@bankomb.org.nz](mailto:help@bankomb.org.nz) or write to PO Box 25-327, Featherston Street, Wellington 6146.

## Privacy

For information on BNZ's privacy practices, including how we collect, use and disclose your information, please see our Master Privacy Policy. This is available on our website or you can ask us to send you a copy.

## Electronic Disclosure

We consent to you giving us notices or making requests by way of electronic communication in the following circumstances only:

- for the purposes of letting us know that we have made a mistake or you are unhappy with our service (see under '**Dispute Resolution**' above);
- when you want to find out about our current StepUP loan fees (if any), charges, interest rates or the maximum loan length under StepUP loans under **clause 1.2**;
- when you want to request that we change the term (ie, the length) of your Loan under **clause 3.3**;
- where you are giving us instructions in relation to your Loan Account under **clause 7.3**;
- to tell us that there has been a dispute between joint Account Owners under **clause 9.1(d)**
- when you want to request an additional copy of your monthly statement or your Disclosure Letter under **clause 10.2**;
- to tell us that there has been, or you think there might be, unauthorised access to your Loan Account under **clause 12.1(g)**;
- where you are applying to close your Loan Account under **clause 14.1**;
- where you are telling us about errors or discrepancies on your Loan Account under **clause 15.1**;
- to correct any information that we hold about you;
- to ask us not to use information that we hold about you for marketing or promotion; and
- to tell us about any change to your contact details (including address, telephone details and email address) under **clause 17.5**.

## **Name and Address of Creditor**

Bank of New Zealand  
PO Box 995  
Shortland Street  
Auckland 1140  
New Zealand

Telephone 0800 275 269 (from New Zealand) or  
+64 4 931 8209 (from overseas)

*The information set out above is correct as at the date of your Disclosure Letter.*

# **1 Introduction, Applicable Law and Definitions**

## **1.1 Application of Terms and Conditions**

These Terms and Conditions are a contract between you and BNZ and apply to your Loan and Loan Account.

These Terms and Conditions and the BNZ Internet Banking terms and conditions are separate contracts unless we tell you they are not. If there is any conflict between these Terms and Conditions and the BNZ Internet Banking terms and conditions, the BNZ Internet Banking terms and conditions will prevail.

The terms of your StepUP loan and the terms of your YouMoney Account are separate contracts. **Clause 20** of these Terms and Conditions are part of the terms of your YouMoney Account. If any of the terms in these Terms and Conditions are inconsistent with the YouMoney Account terms, these Terms and Conditions will apply.

## **1.2 Changes to these Terms and Conditions**

We can change, add to, delete or replace these Terms and Conditions at any time.

If we do so, we will tell you about those changes at least 14 days before the change becomes effective. We will tell you about any changes to these Terms and Conditions in one or more of the following ways, by:

- a. writing to you at the last address you have provided us;
- b. display in our branches and partners centres;
- c. notice in the media; or
- d. display on our website **stepuploan.org.nz**

You can find our current StepUP loan fees (if any), charges and interest rates, and the maximum loan length under StepUP loans, on our website at [stepuploan.org.nz](http://stepuploan.org.nz) or by contacting us in any of the ways set out in **clause 19**.

### **1.3 Reasonable care and skill**

We will provide our services in relation to your Loan Account with reasonable care and skill.

### **1.4 Accepting the Terms and Conditions**

By telling us, through your Community Loan Worker, you want to draw down the Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase), each Account Owner agrees to these Terms and Conditions as changed by us from time to time.

### **1.5 Terms and Conditions**

You should read these Terms and Conditions carefully as they place obligations on you, including obligations to make payments to us.

### **1.6 New Zealand law**

These Terms and Conditions are governed by New Zealand law. Any disputes about these Terms and Conditions will be determined by the New Zealand courts. If any term is not enforceable for any reason, the remainder of the Terms and Conditions will still be enforceable.

### **1.7 Overriding laws**

Some compulsory laws apply to your Loan Account, including some which restrict how we can exercise our rights under these Terms and Conditions. We must comply with those laws. They prevail over these Terms and Conditions.

### **1.8 Guarantees relating to services**

If you borrow the Loan for the purposes of a business, nothing in the Consumer Guarantees Act 1993 will apply to your Loan.

### **1.9 Headings**

Headings in these Terms and Conditions do not affect interpretation.



## 1.10 Interpretation

The words **'we'**, **'our'** and **'us'** mean BNZ and the words **'you'** and **'your'** mean, as the context requires, any Account Owner.

Other defined terms are:

**'Account Opening Date'** means the day you draw down your Loan.

**'Account Owner'** means the individual(s) who has a Loan but does not include any other person you authorise to operate your Loan Account on your behalf as set out in **clause 8.1**.

**'Approved Loan Amount'** means the total amount that you may borrow from us. It is shown in your Disclosure Letter.

**'BNZ'** means Bank of New Zealand.

**'Community Loan Worker'** means the person that you deal with at a Community Partner.

**'Community Partner'** means each of Good Shepherd New Zealand Trust, Good Shepherd New Zealand Limited and Good Shepherd Microfinance (together 'Good Shepherd') and any other organisation that BNZ or Good Shepherd partner with from time to time in order to deliver the BNZ community finance initiative.

**'Default Event'** means any of the events listed in **clause 11.2** (and for joint accounts, **clause 9.1(h)**).

**'Disclosure Letter'** means the letter we sent to you with the details of our offer to provide the Loan to you.

**'draw down'** means when your Community Loan Worker, on your behalf, asks us to transfer the amount that is required under the Evidence of Intent to Purchase (which must not be more than the Approved Loan Amount) to your YouMoney Account which is then paid on in accordance with the Loan Purpose (see **clause 20**). It does not include us charging interest or other amounts you are required to pay under these Terms and Conditions to your Loan Account. You may only draw down in multiples of \$100. If the amount that is required under the Evidence of Intent to Purchase is not a multiple of \$100, the amount transferred to your YouMoney Account will be rounded up to the nearest multiple of \$100. Any difference between the amount that is required under the Evidence of Intent to Purchase and the amount transferred to your YouMoney Account will be repaid to your Loan Account on the Account Opening Date.

**‘Evidence of Intent to Purchase’** means proof (which we find satisfactory) that you intend to use the Loan for the Loan Purpose.

**‘Loan’** means the loan provided to you under these Terms and Conditions or, as the context requires, the outstanding principal balance of your Loan. It includes any amounts that are added to the loan balance under **clause 11.3** or **13.3**.

**‘Loan Account’** means your BNZ StepUP loan account established by BNZ. The Loan Account will be operated in accordance with these Terms and Conditions. We will open the Loan Account when you draw down your Loan. Once you have accepted the Loan by instructing us (through your Community Loan Worker) to draw down, we will transfer your Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) to your YouMoney Account and then pay it on in accordance with the Loan Purpose (see **clause 20**).

**‘Loan Purpose’** means the use for the Loan set out in your application form and approved by us.

**‘Personal Information’** means the categories of information set out in BNZ’s Master Privacy Policy.

**‘Related Company’** has the meaning set out in section 2(3) of the Companies Act 1993, as if ‘company’ included a company or other body incorporated or established in New Zealand or any other jurisdiction.

**‘Required Payment’** means the minimum amount that you must pay by the corresponding Required Payment Date as shown on a monthly statement. This amount is calculated as set out in **clause 3**. Your estimated Required Payment is set out in your Disclosure Letter. It assumes you draw down the Approved Loan Amount in full on the date of your Disclosure Letter and that the first Required Payment Date will fall one month after the date of your Disclosure Letter. Your actual Required Payment will be set out in the first monthly statement sent to you.

**‘Required Payment Date’** means a date by which you must pay a Required Payment as shown on a monthly statement. Your first Required Payment Date may fall less than one month from the day you draw down. Each following Required Payment Date will be one month after the last Required Payment Date.

**‘Term’** means the time period over which you must repay your Loan, as shown in your Disclosure Letter. Your Loan Term starts within 5 working days of draw down. This period will be determined and can be changed as set out in **clause 3**.

**‘YouMoney Account’** means the YouMoney Account set up by us in your name (or, for a joint YouMoney Account, means the YouMoney Account set up by us in both of your names) from which repayments of your Loan will be made.

## **2 Drawing down your StepUP Loan**

### **2.1 Last date to drawdown**

You have 30 days from the date of our Disclosure Letter to draw down your Loan.

### **2.2 What you must give to us before draw down**

To draw down your Loan we must receive:

- a. a copy of the Disclosure Letter which you have acknowledged receipt of;
- b. a request to do so from your Community Loan Worker on your behalf; and
- c. Evidence of Intent to Purchase,

and we must be satisfied that your income, asset or liability position has not materially deteriorated since the date of the Disclosure Letter.

### **2.3 Loan made available in your YouMoney Account**

If the conditions in **clause 2.2** are satisfied we will make the Loan available to you by depositing the amount that is required under the Evidence of Intent to Purchase (which must not be more than the Approved Loan Amount) into your YouMoney Account, where it will be used for your Loan Purpose (see **clause 20**). You may only draw down in multiples of \$100. If the amount that is required under the Evidence of Intent to Purchase is not a multiple of \$100, the amount transferred to your YouMoney Account will be rounded up to the nearest multiple of \$100. Any difference between the amount that is required under the Evidence of Intent to Purchase and the amount transferred to your YouMoney Account will be repaid to your Loan Account on the Account Opening Date.

## **2.4 You must use Loan for the Loan Purpose**

Unless we have provided you with written approval, you may not use the Loan or any part of it for any purpose that is inconsistent with the Loan Purpose.

## **2.5 One draw down only**

Only one draw down is permitted. If you do not draw down the full Approved Loan Amount the un-drawn part will be cancelled. You will not be able to draw down that amount later.

## **2.6 No reborrowing**

You cannot reborrow any amount you repay on your Loan.

# **3 Repayment**

## **3.1 Required Payments**

- a. We will tell you the Term and an estimate of the amount of your first Required Payment in your Disclosure Letter.
- b. Each monthly statement will set out the amount of your next Required Payment and its Required Payment Date.
- c. You must make the Required Payment on each Required Payment Date by the method for making payments set out in **clause 6.2**. If at the end of the Term the Required Payments have not been enough to repay the outstanding Loan amount (and to pay all other amounts you are required to pay under these Terms and Conditions) in full, you must pay an additional amount on the last day of the Term to reduce the Loan Account balance to zero.
- d. Your Required Payment for each Required Payment Date will be calculated by adding the interest payable and any other amount you must pay under these Terms and Conditions to the principal amount we determine is required to be paid to enable the Loan to be repaid in full by the last day of the Term.
- e. Your Required Payments will be affected if:
  - you are ahead or behind with your payments. This does not affect your obligation to immediately pay us any amount that was not paid by its Required Payment Date;

- we change the Term of your Loan under **clause 3.3**; or
- we change the maximum loan length limit for StepUP loans (see **clause 3.3(b)**).

### **3.2 Voluntary additional repayments**

- a. You may pay more than the Required Payment (by lump sum at any time or by paying more than the Required Payment on a Required Payment Date) at any time, as long as the additional payment is made in a way that complies with these Terms and Conditions.
- b. You may make additional payments on your Loan at any time. If you want to make additional payments on your Loan, we will not charge any early repayment fees or charges for these additional payments.

### **3.3 Changes to the Term of your Loan**

- a. You may request that we change the Term of your Loan by contacting us in any of the ways set out in **clause 19**. If we agree (at our discretion) to make a change, we will tell you about the change not later than the date we provide your next monthly statement to you.
- b. We may at any time change the Term of your Loan so that it is not longer than the maximum loan length for StepUP loans. If we do so your Required Payments will be adjusted to the extent necessary so that they continue to reflect the amount we need you to pay to make sure that your Loan is paid off within the revised term.

### **3.4 Crediting your payments**

We will credit any payments to your Loan Account as at the date we receive the payment. This is not necessarily the same day as you make the payment. We may adjust debits and credits later to accurately reflect your and our legal obligations (for example, because of an error, or because a cheque or other payment is dishonoured). If we do this, we may need to make other changes (including to interest charges).

## **4 Approved Loan Amount**

### **4.1 Your Approved Loan Amount**

Your Approved Loan Amount is shown in your Disclosure Letter.

## 5 Interest Charges

### 5.1 How interest is charged

Interest will accrue daily at the interest rate:

- a. on your Loan from the first day of your Term; and
- b. if we make a demand on you under **clause 11.1** or your Loan Account is closed and you do not pay all amounts necessary to reduce your Loan Account balance to zero, on the total balance of your Loan Account (including all charges, interest and other amounts you are required to pay us under these Terms and Conditions) from the date of demand or the date the Loan Account is closed (as applicable).

### 5.2 No interest on certain amounts

We will not charge interest on interest or on any charges payable under **clause 10** unless we make a demand on you under **clause 11.1** or if your Loan Account is closed and you do not pay all amounts necessary to reduce your Loan Account balance to zero. In that case we may charge interest on the total balance of your Loan Account as set out in **clause 5.1**.

### 5.3 Interest rate

The annual interest rate we charge for your StepUP loan is set out in your Disclosure Letter and will be shown on each monthly statement. Your interest rate is fixed for the term of your Loan. You can find the current 'StepUP Loan interest rate' at any time by contacting any of our branches or visiting [stepuploan.org.nz](http://stepuploan.org.nz)

## 6 Payments

### 6.1 Types of payments

There are two types of payments you can make on your Loan – Required Payments (see **clause 3.1**) and additional payments (see **clause 3.2**). Required Payments are the amount you must pay each month. Additional payments are payments you can choose to make if you want to – by making additional payments you will pay your Loan off faster.

### 6.2 Making Required Payments

Your monthly Required Payment will, provided you have enough money in the account, be paid by our withdrawing that payment amount from your

YouMoney Account on the Required Payment Date. You authorise us to do this without any further or future instruction to do so. You must make sure you have enough in your YouMoney Account each month to cover your Required Payment.

### **6.3 Making additional payments**

You may make additional payments by:

- a. transferring funds from your bank accounts with us (including your YouMoney Account) or any other bank direct to your Loan Account;
- b. arranging regular automatic payments from your bank account to your Loan Account;
- c. if you are registered with internet or telephone banking at another bank, making a bill payment to your Loan Account;
- d. arranging a telegraphic transfer or overseas bank draft (at your cost); or
- e. paying us in person at any BNZ branch.

**Once an additional payment has been made to your Loan Account you cannot reborrow that amount.** We recommend that you talk to your Community Loan Worker before you make any additional payment.

If your bank account is with BNZ, bank transaction fees might apply to some of these payment options. Our fees are set out in our Personal Account, Service and Facility Fee Brochure which is available in any of our branches or on our website at [bnz.co.nz](http://bnz.co.nz). If your bank account is with another bank, you should check that bank's terms and conditions.

### **6.4 When payment is received**

For the purposes of calculating interest, payments will be applied to reduce your Loan Account balance as at the date we receive them. Please note that payment is not received for the purposes of calculating interest when the money is in your YouMoney Account.

### **6.5 Application of payments**

We are not required to act on, or check compliance with, any instruction to apply a payment for a specific purpose or subject to any condition. We are not responsible if we apply a payment in a way that differs from any instruction you give to us. We will decide the way payments are applied to your Loan Account. Generally we will apply payments in the following order:

- a. fees (if any) and charges;
- b. interest;
- c. any overdue amount;
- d. the current Required Payment amount;
- e. any other amounts payable under these Terms and Conditions; and
- f. then, to reduce the outstanding principal balance of the Loan.

## **6.6 You must make all payments in full**

- a. Whenever you owe us money you must pay the full amount due to us. For example, you must pay us the full amount of each Required Payment.
- b. If a law requires you to make a deduction or withholding, you must increase the amount you pay to us so that the net amount we receive, after any deduction or withholding, is equal to the full amount we would have received if no deduction or withholding had been made.

# **7 Your Loan Account**

## **7.1 Availability of Loan Accounts**

StepUP loans are only available to 'natural persons' (that is, individuals).

## **7.2 Checking your identity**

We may from time to time require proof of your identity or the identity of any person you authorise to operate your Loan Account (see **clause 8**). We will tell you what form of proof is acceptable to us.

## **7.3 Instructing us**

Subject to any conditions we set from time to time, we may allow you to give instructions in respect of your Loan Account by telephone, email, secure email through our Internet Banking website at **bnz.co.nz**, text or by any other written, electronically communicated or verbal method acceptable to us.

Except where the law does not allow us to, we may give effect to instructions on your Loan Account that are authorised before your death. You must reimburse us if we incur a loss as a result of acting on your instructions (see **clause 13.3**).

## **7.4 Authority**

You authorise us to act on your instructions (and



those of your designated Community Loan Worker in relation to draw down) relating to your Loan Account. We may refuse to act on your instructions (or the instructions of your Community Loan Worker) where we believe we have good reason to do so. We will not be liable to you if we do not act on your instructions.

### **7.5 Set-off and combination**

- a. You may not argue that amounts we might owe to you (for example, money in any account you have with us) can be or have been used to make a payment to us or that any set-off has occurred. You waive any rights of set-off that you might have. For example, a right of set-off may arise if you hold money in a bank account with us at the same time as owing us money. In the example, because you have waived your rights of set-off, you are not entitled to claim that any amount you hold in a bank account with us reduces the amount you owe us under these Terms and Conditions or under any other agreement you have with us.
- b. If you owe us money, we can exercise rights of set-off and take money from any account you have with us and use that to pay the money you owe us.

### **7.6 Ownership of Loan Account**

You confirm that you are the sole legal and beneficial owner of the Loan Account.

### **7.7 Rights to your Loan**

We can assign and/or transfer all or any of our rights or obligations in relation to your Loan without your consent and without telling you first. We will not tell you about any assignment or transfer we have made unless we are required to by law. You may not assign, transfer, give security over or declare a trust of any of your rights or obligations in relation to your Loan.

### **7.8 Statements:**

A record of all amounts debited from (charged against) and credited to (paid into) your Loan Account will appear on each monthly statement we give you for your Loan.

Your monthly statements should be kept in a safe place so that you can refer to them if needed. We may charge you for replacement statements if you ask us to provide them to you (see **clause 10.2**).

## 8 Authorised Persons

### 8.1 Authorised Persons

If you want to authorise another person to give us instructions in relation to your Loan Account they will need to visit a BNZ branch to give us an example of his or her signature and complete any authorisation form(s) we require. If this is not possible, we might accept a copy of a power of attorney that shows that person is your attorney.

## 9. Joint Accounts

### 9.1 Joint Accounts

- a. **Joint Loan Accounts:** We may, at our discretion, allow you to establish and operate a joint Loan Account. If we do, this **clause 9.1** will apply.
- b. **Joint Loan Account operation:** Any one Account Owner of a joint Loan Account can operate and instruct us to act in relation to the joint Loan Account, provided that only your designated Community Loan Worker may deliver a drawdown request.
- c. **Liability:** Each Account Owner of a joint Loan Account is liable to us alone and together, in respect of any amount owing to us on that Loan Account. This means that we may ask any one of you to pay part or all of the money that is owed under a joint Loan Account. We do not need to ask any other Account Owner to pay or contribute to any amount owing to us.
- d. **Dispute:** If a dispute occurs between the Account Owners of a joint Loan Account, you must contact us immediately in any of the ways set out in **clause 19**. If there is a dispute, each of you should get independent legal advice. Where joint Account Owners are married, in a civil union or living in a de facto relationship, a separation of those owners is a 'dispute' which we must be told about.
- e. **Responsibility for disputes:** We are not responsible for any dispute between you and any other Account Owner.
- f. **Payments:** Any payment we receive from one Account Owner may be paid into the Loan Account, unless the Account Owner who makes the payment instructs us not to.

- g. **Death of Joint Account Owner:** If any owner of a joint Loan Account dies, the remaining owner(s) automatically become the owners of any credit balance in the Loan Account (and YouMoney Account) and have full authority to operate the account(s). We will not be liable for paying any credit balance to the surviving owners. Any liability a surviving owner may have to us does not end with the death of any other joint Account Owner.
- h. **Default under Joint Loan Account:** For joint Loan Accounts, the following are Default Events (in addition to those set out in **clause 11.2**):
- there is a dispute between any joint Account Owners which is not resolved in a way acceptable to us;
  - one joint Account Owner attempts to withdraw, or notifies us of his or her intention to withdraw from the joint Loan Account; or
  - an event in **clause 11.2(g)** occurs in relation to any joint Account Owner.
- i. **Where a Default Event occurs:**
- We have the rights set out in **clause 11**.
  - Each joint Account Owner continues to be jointly and individually liable for any outstanding debt.
  - We will not be liable to any joint Account Owner for any consequences of our decision to require you to repay the Loan and all other amounts payable by you under these Terms and Conditions in full and close the Loan Account.
  - We will not be liable to any joint Account Owner if we do not require repayment of the Loan and close a joint Loan Account when we could have done so.
- j. **Closure of Joint Accounts by you:** Any one of you can instruct us to close your joint Loan Account. In this case we will not be liable to the other joint Account Owner(s) for any consequences arising from the closure. We will notify each joint Account Owner of the closure as soon as possible. If any owner of a joint Loan Account requests removal of his or her name from that Loan Account we will treat that as a request to close that Loan Account. However, the joint and individual liability for all outstanding debt will remain until we receive repayment of the whole of that debt.

- k. **Notice to joint Account Owners:** We will give any notices in relation to a joint Loan Account to the address set out in our records. Any notice given to one owner of a joint Loan Account is deemed to be sufficient notice to all joint owners of that Loan Account.

## 10 Charges

### 10.1 Current charges

Current charges are available at [stepuploan.org.nz](http://stepuploan.org.nz). We may change these charges from time to time. We will tell you about these changes at least 14 days before the change takes effect by either writing directly to you, or displaying in our branches, advertising in major daily newspapers and posting on our website at [stepuploan.org.nz](http://stepuploan.org.nz).

### 10.2 Statement copy charge

We may debit a charge from your Loan Account if you request an additional copy of your monthly statement or your Disclosure Letter (additional copies can be requested by contacting us in any of the ways set out in **clause 19**). The current amount of this charge is available at [stepuploan.org.nz](http://stepuploan.org.nz).

### 10.3 Agreement to pay other fees and charges

You agree to pay any fees and charges imposed by government regulation (which may include taxes) in relation to our provision of the Loan to you. You agree that these fees and charges may be charged to your Loan Account without notice to you.

### 10.4 No interest on fees or charges

Once debited from your Loan Account, the amount of the relevant fee or charge will form part of the outstanding balance of your Loan Account. However, we will not charge interest on any fees or charges we debit from your Loan Account under this **clause 10** unless we make a demand on you under **clause 11.1** or if your Loan Account is closed and you do not pay all amounts necessary to reduce your Loan Account balance to zero (see **clause 5.2**).

## 11 Default Events

### 11.1 What happens if you default

If a Default Event occurs we can:

- a. demand the immediate:
  - repayment of your Loan;
  - payment of enforcement and other costs under **clause 11.3**; and
  - payment of all other amounts payable (including all accrued but unpaid interest and charges) by you under these Terms and Conditions; and
- b. close your Loan Account, and
- c. reduce your approved Loan Account.

None of our rights under **clause 14**, or any other right we may have, will be limited by our actions (or any failure by us to act) following any Default Event.

### 11.2 What are the Default Events?

Each of the following is a Default Event if it occurs in relation to an Account Owner:

- a. you fail to pay any amount due to us when it is due under these Terms and Conditions or any other agreement you have with us (like your BNZ home loan, overdraft or credit card);
- b. if we believe in our reasonable view that you have failed to comply with a material obligation you owe us (under these Terms and Conditions or any other agreement you have with us (like your BNZ home loan, overdraft or credit card));
- c. you close your YouMoney Account
- d. you spend the money from your Loan on something other than the Loan Purpose;
- e. there is a change in your circumstances or any event occurs which, in our opinion, is serious enough to affect your ability to pay any amount that is payable (or may be payable) to us under these Terms and Conditions;
- f. you die or any other event occurs to limit your legal capacity;
- g. you are declared bankrupt, an application is made to court to declare you bankrupt; or you make any agreement with your creditors;
- h. any person is entitled to take, or claims an interest in, any of your property or any claim is made against your property;

- i. information you or any other person has given us in relation to your Loan is, in relation to any material matter, incorrect, inadequate or misleading. For example, if information you gave us about your income and expenses is incorrect;
- j. you assign or dispose (or take any step or try to assign or dispose) of your interest in the Loan Account;
- k. an event set out in **clause 9.1(h)** occurs; or
- l. subject to **clause 16.10**, you do not give us any information we ask for from you or you do not consent (or withdraw your consent) to us collecting, holding, using or sharing your Personal Information as set out in **clause 16**.

### **11.3 Enforcement costs**

If a Default Event under **clause 11.2** occurs, you must pay to us on demand any legal fees we pay our lawyers or other costs which we incur, in each case, in recovering or attempting to recover amounts owing on your Loan Account. We may debit these amounts from your Loan Account. You will be required to pay interest on these amounts (see **clause 5.2**).

## **12 Your Responsibility and Liability**

### **12.1 What you agree to do**

You agree:

- a. to draw down the full Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) in one lump sum;
- b. to use the amount that you draw down solely for the Loan Purpose;
- c. to pay at least the Required Payment by each corresponding Required Payment Date;
- d. to advise us of any change to your contact details (see **clause 17.5**);
- e. if your Loan Account is closed or we make a demand on you under **clause 11.1**, to immediately repay the Loan and pay all other amounts necessary to reduce the balance of your Loan Account to zero;
- f. to advise your bank and any other party to cancel any authorities (e.g. automatic payments, direct debits) authorising payments to your Loan Account once your Loan is fully repaid and your Loan Account has been closed; and

- g. to notify us immediately by contacting us in any of the ways set out in **clause 19** if there has been, or you think there might be, unauthorised access to your Loan Account.

## **12.2 Your liability to third parties**

You will be liable for all losses, including any consequential losses incurred by third parties, if you act fraudulently, either by yourself or together with any other person. You may be liable for some or all losses arising from any unauthorised access to your Loan Account, whether occurring before or after you notify us as required by **clause 12.1(g)**, if you have caused or contributed to that loss (for example, by failing to comply with these Terms and Conditions).

## **12.3 What you are not responsible for**

You are not responsible for any negligent or fraudulent conduct by any of our staff or agents.

# **13 Our Position**

## **13.1 Liability**

We:

- a. will not be liable for any claim that arises from acting reasonably on your instructions (or any draw down instruction received from your Community Loan Worker);
- b. will not be liable for any loss incurred by you or any third party due to matters outside our control;
- c. accept no liability for the loss or destruction of, or any delay in processing, instructions or other documents;
- d. will not be liable for either refusing to act on inconsistent instructions given in respect of your Loan Account or for acting on any one of those inconsistent instructions; and
- e. will not be liable for any losses which arise where you have acted negligently or have acted fraudulently, either alone or together with any other person.

This does not affect any liability we may have to you under any laws that apply regardless of these Terms and Conditions.

## 13.2 Telephone and e-mail instructions

Despite anything else stated in these Terms and Conditions, we:

- a. may refuse to act or delay acting on any instructions given where we believe that we have good reason to do so; and
- b. may, where your Loan Account can be accessed by telephone or by any electronic means, assume that any telephone or electronic instructions received using your secure password are authorised by you.

This does not affect any obligations we have to you under any laws that apply regardless of these Terms and Conditions.

## 13.3. Your indemnity to us

Except where we have been negligent or fraudulent, where:

- a. we act on instructions from you given by telephone, email, secure email through our Internet Banking website at **bnz.co.nz**, text or by any other written, electronically communicated or verbal method we may accept from time to time regarding your Loan Account; and
- b. that instruction appears to our reasonable satisfaction to be made under one of the account authorities we hold,

you promise to reimburse us and make good all losses, claims and expenses that we may incur by acting on the instruction. This is called 'indemnifying' us. We may debit the amount of these losses, claims and expenses from your Loan Account or charge them to your YouMoney account. You will be required to pay interest on these amounts if they are debited to your Loan Account.

## 14 Closing your Loan Account

### 14.1 You can apply to close your Loan Account

If you are an Account Owner you can apply to close your Loan Account by:

- a. visiting one of our branches;
- b. calling us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas);
- c. sending us a secure email through our Internet Banking website, [bnz.co.nz](http://bnz.co.nz); or



- d. writing to us at: BNZ, PO Box 995, Shortland Street, Auckland 1140.

You will need to repay your Loan in full and pay all other amounts (including charges and interest) you owe to us under these Terms and Conditions before we will agree to close your Loan Account.

You may have other rights to cancel your contract with us under the Credit Contract and Consumer Finance Act 2003. See under '**Your right to cancel**' in the '**Important Information**' section at the front of these Terms and Conditions for details.

#### **14.2 Closure after full repayment**

Without limiting any other rights we have under these Terms and Conditions, we may, in our sole discretion, close your Loan Account once you have repaid your Loan in full and paid us all other amounts payable by you under these Terms and Conditions even though you have not asked us to.

#### **14.3 Other Closure rights**

We may, by notice to you, close your Loan Account where:

- a. an owner of a joint Loan Account dies (see **clause 9.1(g)**); or
- b. any owner of a joint Loan Account instructs us to (see **clause 9.1(j)**).

#### **14.4 Amounts payable on closure**

If your Loan Account is closed we can demand the immediate repayment of your Loan and payment of all other amounts payable by you under these Terms and Conditions. You will also still be liable for:

- a. any legal fees we pay our lawyers or other costs which we may incur, in each case, in recovering or attempting to recover amounts owing on your Loan Account; and
- b. interest on your Loan, and all fees and charges on your Loan Account until the balance of your Loan Account is reduced to zero.

#### **14.5 Indemnities continue**

- a. If your Loan Account is a joint account, you and other Account Owners will continue to be jointly and individually liable for all amounts payable under **clause 14.4**.

- b. Any indemnity given to us in these Terms and Conditions (see **clause 13.3**) continues after closure of your Loan Account.

## 15 Errors or discrepancies

### 15.1 Contact us about errors or discrepancies

If you think an error has been made on your monthly statement or there is a discrepancy on your monthly statement, you must contact us in any way set out in **clause 19** within 30 days of your statement closing date.

### 15.2 What if you are not satisfied?

If you are not happy with any action we take after you tell us you think there has been an error or discrepancy, you can make a complaint. See under **'Dispute Resolution'** in the **'Important Information'** section at the front of these Terms and Conditions for details.

## 16 Information about you

### 16.1 Personal Information:

To offer you products or services, we need to collect, use and disclose your personal information in accordance with BNZ's Master Privacy Policy. Our Master Privacy Policy sets out the purpose of this collection, details of how the personal information may be used or disclosed, your rights to that personal information (such as access and correction), our legal obligations and the consequences of not providing the information. The Master Privacy Policy covers personal information for all of our products and services, and all our interactions with you. It is available on our website or you can ask us to send you a copy. As stated in our Master Privacy Policy, depending on the product or service you have requested:

- a. You may be required to consent to us collecting information about you from credit reporting agencies, which we use to assess your creditworthiness. We will ask for your consent during the application process.
- b. At times, we may disclose information about you to credit reporting agencies, debt collection agencies or law firms as part of our debt recovery process.

## **16.2 Non-personal Information**

There may be times when we collect, use and disclose information that is not an individual's personal information and where our Master Privacy Policy will not apply – this can include where we collect information about our business customers or where personal information has been deidentified. We refer to such information as “Non-personal Information” in these Terms. You authorise us to collect, use and disclose Non-personal Information to:

- a. help us manage, improve and develop our business, services and products and/or market research purposes;
- b. manage financial and security risks for our business and our customers;
- c. monitor our systems for fraud or financial crime;
- d. defend or enforce our rights; and
- e. meet our legal obligations.

## **16.3 Complying with laws and regulations:**

- a. You agree to provide us with any Non-personal Information, we may ask for to help us comply with laws, rules or regulations in New Zealand or overseas.
- b. You agree that we can collect (including collecting from third parties), use and disclose Non-personal Information to:
  - (i) help us comply with laws, rules or regulations in New Zealand or overseas, or any New Zealand or overseas legislative or regulatory requests; or
  - (ii) monitor your accounts and any BNZ product/service you use for the purpose of preventing misuse or unauthorised use of any BNZ product/service, detecting any fraud or crime, or for money laundering and counter financing of terrorism purposes in connection with any laws, rules or regulations in New Zealand or overseas.

## **16.4 Community Partners - information**

BNZ will share your information with Community Partners in order to manage and administer the StepUp Loan Programme, including in relation to your application, loan offer, and ongoing ability to manage the loan.

The Community Partners are required to share your information with their funding partner, the Ministry of Social Development and applicable parties in order to meet all their reporting requirements. Talk to your

Community Partner about their privacy policies and practices.

## **17 General**

### **17.1 Financial difficulty**

Please contact us immediately if you are in financial difficulty and believe you may not be able to meet your obligations to us. Please call us on 0800 665 560.

In addition, the Credit Contracts and Consumer Finance Act 2003 gives you a right to ask us to consider making changes to your payment obligations to us if you suffer hardship (for example, you are sick or injured, lose your job or your relationship has ended). For more details about this process, see the information under **'What to do if you suffer unforeseen hardship'** in the **'Important Information'** section at the front of these Terms and Conditions.

### **17.2 Insurance products**

We may from time to time make insurance products available to you. We will tell you the costs and conditions that apply to those products.

### **17.3 More information**

You may ask us for information about your Loan at any time. This includes copies of previous statements and details of the current fees and charges.

### **17.4 Changes to Loan Account**

Changes to Loan Accounts may only be made by the Account Owner. Where there is more than one Account Owner, changes can be made by either Account Owner (see **clause 9.1(b)**).

### **17.5 Your contact details**

You must notify us promptly of any change to your contact details (including address, telephone details and email address if applicable) by contacting us in any of the ways set out in **clause 19**. Until you do, we will assume that the contact details we hold for you are correct.

### **17.6 BNZ Internet Banking (which includes telephone banking)**

Our BNZ Internet Banking terms and conditions apply when you use this service to access your Loan Account. Those terms and conditions do not form part of this contract.

## **17.7 Transfer to another product/service**

If you are no longer eligible for a product or service provided by us, or that product or service is no longer available, we can choose to transfer you to any of our other products/services (that might also be subject to product specific terms and conditions). We will tell you of our intention to transfer you, and will give you information about the nature and cost of the new product or service. You will be given the opportunity to end your current product or service or to select a different product or service. If we do not hear from you within the timeframe set out in our notice to you we can assume that you agree to be transferred to the product/service we have selected for you.

## **18 Electronic disclosure**

### **18.1 Consent to electronic disclosure**

You consent to us:

- a. meeting our disclosure obligations to you under the Credit Contracts and Consumer Finance Act 2003; and
- b. sending you other notices and communications in relation to your Loan Account,  
in electronic form and by electronic communication (if applicable). You agree that this may include:
  - c. us sending you an email, to the most recent email address you have provided to us, that allows a disclosure statement and/or other information, including the terms of the contract and any related product (for example, insurance) or service, to be accessed from a website or by means of the internet by commonly used internet browsers (including, but not limited to, Internet Explorer, Safari and Google Chrome). You acknowledge that this may include us sending you an email telling you that a disclosure statement and/or other information is available through BNZ internet banking instead of sending you that information by post;
  - d. us sending you an email, to the most recent email address you have provided to us, with a copy of a disclosure statement and/or other information, including the terms of the contract and any related product (for example, insurance) or service, attached to the email in PDF form; and/or

- e. if you have BNZ internet banking, us making available, through BNZ internet banking, ongoing information about this contract (for example, payments you have made during a relevant period) instead of sending you paper statements. You acknowledge that this means you may not receive paper statements.

We will tell you before we stop sending you paper continuing disclosure statements.

## 18.2 Time of receipt

You agree that any electronic communication is treated as being received by you at the time that it leaves our information system. Please note that emails are transmitted over the internet which is an insecure public domain. There is a risk that emails could become corrupted, may not be delivered or may be delivered to the incorrect email address or intercepted.

## 19 How to contact us

You can contact any of our branches or call any one of our customer solutions advisors on **0800 275 269** (from New Zealand) or **+64 4 931 8209** (from overseas).

Visit **[bnz.co.nz/contact](https://www.bnz.co.nz/contact)** for opening hours.

To write to us about your Loan, send your letter to:

BNZ  
PO Box 995  
Shortland Street  
Auckland 1140  
New Zealand.

You can also send us an email through:

- a. Internet Banking at **bnz.co.nz**: please use the 'contact us' tab (secure); or
- b. **bnz.co.nz**: please use the 'contact us' tab (unsecure).

Further information, and copies of our current registered bank disclosure statement, may be obtained from any of our branches or agencies or on our website **[bnz.co.nz](https://www.bnz.co.nz)**

## 20 Special terms that apply to the YouMoney Account

### 20.1 Inconsistency

This **clause 20** prevails over the other terms and conditions of your YouMoney Account and the BNZ Standard Terms and Conditions for operating bank accounts.

### 20.2 Additional terms that apply to your YouMoney Account

The following terms apply to your YouMoney Account in addition to our standard terms and conditions for operating a BNZ bank account:

- a. you will not earn any interest on your YouMoney Account;
- b. your YouMoney Account cannot be linked to any debit or EFTPOS card;
- c. you can only withdraw money from your YouMoney Account by talking to us. We recommend that you only withdraw money from your YouMoney Account if you would still have enough money in your YouMoney Account to make your next Required Payment;
- d. you will not be charged any account or direct debit fees (in relation to payments made under your StepUP loan and these Terms and Conditions) for your YouMoney Account. Other bank transaction fees may apply to your YouMoney Account;
- e. your YouMoney Account will be closed when you have fully repaid the Loan and paid all other amounts you owe to us under these Terms and Conditions. At that time the credit balance (ie a deposit balance) of your YouMoney Account will be transferred to the bank account you tell us to transfer it to;
- f. you cannot close your YouMoney Account until you have fully repaid the Loan and paid all other amounts you owe to us under these Terms and Conditions; and
- g. you instruct us to:
  - pay the Approved Loan Amount (or a lesser amount that is required under the Evidence of Intent to Purchase) from your YouMoney Account on the date you draw down the Loan, to the bank account of the person (the ‘Supplier’) supplying the goods or services we have approved in connection with the Loan Purpose; or

- if you do not supply us with the bank account of the Supplier, provide you with a non-transferrable BNZ bank cheque made out to the Supplier (the amount of the cheque will be withdrawn from your YouMoney Account that we have paid the Loan drawdown amount into).

You cannot change these instructions.

### **20.3 Making payments into your YouMoney Account:**

- a. You are required to make payments into your YouMoney Account so that you have enough money in your YouMoney Account to make your Required Payment on the Required Payment Date each month. The payments into your YouMoney Account can be made either weekly, fortnightly or monthly. Provided you have enough money in your account, we will transfer the Required Payment amount from your YouMoney Account to your Loan Account each month on the Required Payment Date.
- b. If you set up an automatic payment from your usual bank account into your YouMoney Account, you will need to check your monthly bank statements to make sure your automatic payments are high enough to enable you to pay each Required Payment on its Required Payment Date.
- c. If you are sending us money (including cheques) to deposit into your YouMoney Account, please post those amounts at least 5 working days before the Required Payment Date to make sure they are received in your YouMoney Account in time.

Other bank transaction fees may apply to some of the above payment options.









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