



## **Hardship Policy**

Francom

Created On: 1 August 2018

Last Updated: 29 July 2025

## SUMMARY

### 1 Table of Contents

---

<b>VERSION CONTROL</b> .....	<b>2</b>
<b>SECTION A – INTRODUCTION</b> .....	<b>3</b>
1. BACKGROUND.....	3
2. OBJECTIVES OF POLICY.....	3
3. DEFINITIONS.....	3
<b>SECTION B – PROCEDURES</b> .....	<b>3</b>
4. RECEIVING REQUESTS FOR HARDSHIP VARIATIONS.....	3
5. ASSESSING REQUESTS FOR HARDSHIP VARIATIONS.....	4
6. TYPES OF ASSISTANCE.....	4
7. CONFIRMING AN ARRANGEMENT FOR HARDSHIP RELIEF.....	5
8. REFUSING AN APPLICATION.....	5
9. TIMEFRAMES FOR RESPONDING TO REQUESTS FOR HARDSHIP VARIATIONS.....	5
<b>SECTION C – CONCLUSION</b> .....	<b>6</b>
10. TRAINING.....	6
11. ENFORCEMENT AND REVIEW.....	6
12. AUDITS AND RECORDS.....	6
13. DEBT WAIVER POLICY.....	7

Version Number	Modified By	Modifications Made	Date Modified	Status
1.0	Operations	Original document prepared and finalised.	01.08.18	Final
1.1	Operations	Amendments to policy	23.05.19	Final
1.2	Operations	Amendments to policy	13.06.19	Final
1.3	Operations	Amendments to policy	30.09.19	Final
1.4	Operations	Amendments to policy	29.07.21	Final
1.5	Operations	Amendments to policy	01.11.22	Final
1.6	Operations	Amendments to policy	02.05.23	Final
1.7	Operations	Amendments to policy	29.03.24	Final
2.0	Projects & Process Manager	Amendments to policy	29.07.25	Final

## OPERATIVE PROVISIONS

### SECTION A – INTRODUCTION

#### 1 Background

---

This document outlines the Francom policy and procedures for dealing with hardship for Francom Credit Solutions (“Francom”) and all associated Entities and Subsidiary businesses.

A ‘**financial hardship**’ arises where a customer is reasonably unable to meet their contractual obligations due to illness, unemployment, domestic violence, or other reasonable cause (can include a permanent or temporary change in the customer’s financial circumstances or reduction in income) occurring during the term of the loan and unexpected at the time the credit contract was entered into.

A customer who is unable reasonably to meet their obligations under a credit contract due to financial hardship may apply to Francom for hardship relief or assistance.

#### 2 Objectives and Purpose

---

The Francom Hardship Policy (“**Policy**”) has been implemented because:

- a) Francom have an obligation under the law to have in place adequate arrangements to deal with situations where a customer seeks hardship relief.
- b) Francom also have a general obligation as a licensee to deal with customers efficiently, honestly and fairly. A key component in meeting this obligation is to act reasonably when customers have good reasons why they cannot meet their current consumer credit obligations.

This Policy applies to Francom and all of their representatives.

#### 3 Definitions

---

- 3.1 Final Decision means a written response to the customer informing them of the final outcome of their request for hardship relief.
- 3.2 Hardship Notice means a notice given by the customer to **Francom** either verbally or in writing, of the customer’s inability to meet their obligations under a credit contract on the grounds of financial hardship and what they are able to afford.

## SECTION B – PROCEDURES

### 4 Receiving Requests for Hardship Variations

---

Francom have a dedicated telephone number, postal address and email address to receive and handle Hardship Notices.

In the event that the customer cannot afford a temporary solution or a short-term hold or arrangement will not benefit the customer. Francom's employees will review the customers current circumstances and may in some instance refer customers requesting a hardship variation to the Compliance Team, including the Resolutions team or Customer Care team, of Francom.

On receiving a Hardship Notice, the following information must be recorded:

- a) Date of application for hardship assistance.
- b) Name of customer.
- c) Contact details of customer.
- d) Preferred contact method of customer (phone/email/letter/fax);
- e) Details of the financial product type; and
- f) Information regarding the nature and impact of the customer's current financial difficulties.

Once a Hardship Notice is received, Francom must acknowledge receipt of the Hardship Notice using the preferred contact method of the customer as a matter of priority.

### 5 Assessing Requests for Hardship Variations

---

Upon receipt of a Hardship Notice, Francom may request the customer provide additional information or evidence of their financial hardship and expenditure. This may include, but not be limited to:

- a) Proof of income – current pay slip, bank statements or letter of benefits from Centrelink;
- b) Medical certificate.
- c) A statement of financial position or a statement of income and expenditure; and/or
- d) Other proof of expenditure and/or financial obligations.

This request must be made within twenty-one (21) days of Francom receiving the Hardship Notice.

Francom is to review the application and make a determination, taking into consideration the following factors:

- a) There is a need for assistance, and if this assistance is provided, it will not merely delay the customer continuing to be in default.
- b) The terms of the financial product.

- c) The customer's capacity to repay after reviewing the relevant income and outgoing commitments.
- d) Whether the customer's disposable income is below a level where they do not have funds to meet their realistic costs and those of their dependents; and
- e) Any other relevant factors.

Please note: A hardship arrangement can only be offered if it is considered reasonably likely at the time of the offer that the consumer can successfully meet the amended financial obligations (see clause 8).

## **6 Types of Assistance**

---

- a) Francom may provide assistance, if an application for hardship relief is approved, by extending the terms of the financial product where applicable. Francom may reduce the amount of each payment due accordingly or delay a specified period on which payments are due.

Any flexibilities agreed to beyond the product terms may be without a change being made to the interest rate where court awarded interest applies.

- b) Postpone during a specified period the dates on which payments are due under the credit contract (without a change being made to the interest rate); or
- c) Extend the period of the contract and postpone during a specified period the date on which payments are due under the credit contract (without a change being made to the interest rate).

Francom will seek to provide assistance in the form that is appropriate to the particular customer's situation.

## **7 Confirming an Arrangement for Hardship Relief**

---

Francom will provide the customer with their Final Decision informing the customer of the final outcome of their Hardship Notice within the appropriate timeframes as noted in section 9 below.

Where Francom have agreed to provide assistance to the customer to address the customer's inability to meet their obligations under the current credit contract, the Final Decision will include information about terms of the new arrangement including any particulars of the changes in the terms of the credit contract, and any information required by the National Credit Act and Regulations.

## **8 Refusing an Application**

---

Francom do not have to agree to a hardship request.

Francom will refuse an application for hardship relief where they:

- a) Does not reasonably consider the customer is in hardship.
- b) Considers the customer would not be able to meet the repayment terms of the credit contract even if they were varied as requested.
- c) Considers the customer would be unable to meet their credit obligations in the long run; or

- d) The consumer does not provide information requested to assist in the consideration of the hardship application.

The customer will be notified in writing within the appropriate timeframes as noted in section 9 below of receiving a Hardship Notice, if Francom have refused an application for hardship relief.

**The notice must advise the following:**

- a) The name of Francom's approved External Dispute Resolution ("EDR") Scheme.
- b) The details of the relevant accounts.
- c) The contact details for the Australian Financial Complaints Authority (AFCA) and the customer's rights to complain to AFCA about the credit provider's decision, in line with NCCP requirements.
- d) The reasons why the application for hardship relief was refused.

If the customer does not agree with the decision, any appeals will be referred to the Complaints team (Customer Care or IDR team) for action. Further disputes that cannot be resolved by the IDR team will refer to the relevant EDR scheme where applicable.

## **9 Timeframes for Responding to Requests for Hardship Variations**

---

- a) Where sufficient information has been provided
- b) Where a customer has provided all the sufficient information about the nature and impact of the customer's current financial difficulties for Francom to make an informed Final Decision, they must advise the customer of their Final Decision within twenty-one (21) days of receiving the Hardship Notice.
- c) Where there has been a request for additional information
- d) Where a customer has not provided all the sufficient information for Francom to make a Final Decision, they may request further information from the customer within twenty-one (21) days of receiving Hardship Notice.
- e) Where Francom has requested additional information from the customer, the customer will have twenty-one (21) days to respond to this request for information.
- f) Once the additional information has been received from the customer, Francom must provide their Final Decision with twenty-one (21) days of receiving all requested information.
- g) If the customer does not provide the information within the twenty-one (21) day period, Francom must provide their Financial Decision within twenty-eight (28) days of the initial hardship request.

## **SECTION C – CONCLUSION**

### **10 Training**

---

Employees of Francom who deal with clients need to have an understanding of the hardship policy and procedures. Consequently, all employees of FCS will receive regular training and information about the hardship policy. This training will be scheduled and conducted at the discretion of the Management team.

## **11 Enforcement and Review**

---

Non-compliance with this policy may result in disciplinary action for the company representative including, but not limited to, performance review, reduction in bonus payment and/or termination of employment.

Francom, in consultation with an external compliance consultant, is responsible for monitoring the implementation and ongoing compliance with this Policy. Refer to the Breaches and Incident Policy for further information.

## **12 Audits and Records**

---

The policies and procedures outlined in this document must be audited as part of Francom's compliance audit or reviews.

All records of these audits and any other records in relation to this Policy must be kept for seven (7) years, or as otherwise stipulated in Francom's document retention procedures.

## **13 Debt Waiver Policy**

---

In some circumstances, Francom may consider it appropriate to waive the debt owed by a customer. This is discretionary.

Prior to considering any debt waivers, Francom will first consider repayment options and your assets. Francom may request that the customer complete a Statement of Financial Position and provide bank statements.

Francom will take all circumstances into consideration when reviewing a request for Hardship assistance.

## **14 Review of this Policy**

---

This Policy shall be reviewed annually by the Compliance Officer, Operations Manager and CEO and at any other time considered appropriate by the Managing Director or CEO.