Debt Collection Policy

Credit Risk Policy | Global

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Replace all references to “the Company” with your organisation’s name.

Document Control

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Contents

1. Purpose

This Policy sets the standards the Company must meet when collecting overdue amounts from customers and guarantors. It exists to ensure that all collection activity — whether performed by the Company's own staff, by an External Collection Agency acting as the Company's agent, or by a purchaser of debt sold by the Company — is fair, lawful, proportionate and consistent with international standards of financial consumer protection, including the G20/OECD High-Level Principles on Financial Consumer Protection and the World Bank Good Practices for Financial Consumer Protection, and with the prohibitions on harassment, coercion, misleading conduct and unconscionable conduct under applicable law in the Company's operating jurisdiction(s).

Effective, compliant collections protect the Company's balance sheet while preserving customer trust and the Company's licence standing. Poor collection conduct is a leading source of regulatory action, ombudsman determinations and reputational damage in every market in which the Company operates. This Policy therefore prescribes operable rules: when and how debtors may be contacted, what conduct is prohibited, how financial hardship and vulnerability change the collections pathway, who may approve repayment arrangements, waivers, adverse credit reporting, agency referrals, debt sales and legal action, and how conduct is monitored and assured.

This Policy is approved by the Board of Directors, is owned by the Chief Risk Officer, and forms part of the Company's credit risk policy suite, giving effect to the Basel Committee's expectations for the sound management of problem assets. It must be read alongside the Company's Hardship Policy, Privacy Policy, Dispute Resolution Policy and Outsourcing Policy. The vulnerable-customer identification and support standards applied in collections are set out in section 9 of this Policy; any wider vulnerable-customer framework is a separate document that the Company must produce and does not form part of the Company's existing policy suite.

2. Scope

This Policy applies to the Company and all of its controlled entities, and to all directors, employees, contractors and agents who undertake, direct, support or oversee collection activity, in every jurisdiction in which the Company operates. It binds External Collection Agencies and legal firms acting for the Company through mandatory contractual terms described in section 12.

This Policy covers all collection activity in respect of:

- consumer credit, including home loans, personal loans, credit cards and consumer leases;
- small business and commercial lending, including guarantees given by natural persons;
- overdrawn deposit accounts and other overdue amounts owed to the Company; and

- debts the Company services on behalf of others, where contractually responsible for collections.

The conduct standards in this Policy (contact rules, prohibited conduct, hardship and vulnerability protections) apply to all debtors who are natural persons, including sole traders and individual guarantors of business lending, regardless of whether the underlying credit is regulated consumer credit in the relevant jurisdiction. Collections against corporate debtors with no individual contact are subject to the prohibited-conduct and legal-action requirements of this Policy but not the consumer contact-frequency rules.

Exclusions: recovery of amounts between the Company and other financial institutions or wholesale counterparties, and employee-related recoveries, are outside this Policy and are governed by the relevant counterparty or people policies.

Jurisdictional application. This Policy states international best practice for debt collection conduct. The Company must map the requirements of this Policy to the consumer-protection, credit, insolvency, data-protection and debt-collection licensing laws of each jurisdiction in which it operates, and must document that mapping under the Compliance Management Framework. Where applicable local law imposes a stricter requirement than this Policy — including tighter contact hours or frequency limits, mandatory pre-enforcement notices, statutory hardship rights or credit-reporting conditions — local law prevails and must be applied.

3. Definitions

Term	Definition
Collection Activity	Any step taken by or on behalf of the Company to recover an overdue amount, including contact with a debtor, demands for payment, negotiation of repayment arrangements, adverse credit reporting, engagement of an External Collection Agency, debt sale and legal or enforcement action.
Contact	Any communication, or attempted communication, with a debtor or a third party in connection with an overdue amount, by telephone, letter, email, SMS, secure digital message, or in person.
Contact Attempt	A communication initiated by the Company that does not result in the debtor being reached, such as an unanswered call or an undelivered message; recorded and counted for frequency-monitoring purposes.
Debtor	A natural person, or a guarantor, who owes or is alleged to owe an amount to the Company under a credit contract,

	guarantee or other facility.
Authorised Representative	A person the debtor has authorised to act on their behalf in relation to the debt, including a financial counsellor or debt adviser, lawyer, community worker, guardian, or holder of a power of attorney.
Hardship Indication	Any oral or written statement by a debtor, in any words, indicating that the debtor is, or expects to be, unable to meet their payment obligations because of changed financial circumstances; no particular form or wording is required.
Forbearance	A concession granted to a borrower experiencing, or about to experience, financial difficulty — such as a payment moratorium or deferral, reduced instalments, term extension, arrears capitalisation, rate concession or restructure — that the Company would not otherwise have granted, whether or not the concession is at its discretion, consistent with the Basel Committee's definitions of forbearance.
Hardship Arrangement	A forbearance measure agreed with a debtor following a Hardship Indication, recorded on the account and confirmed to the debtor in writing.
Vulnerable Customer	A customer who, because of personal or situational circumstances — such as age, disability, health or cognitive conditions, low financial resilience, capability or literacy, family violence, financial or elder abuse, bereavement, remoteness, or language barriers — is especially susceptible to harm or detriment.
Family Violence	Violent, threatening, coercive or controlling behaviour, including economic and financial abuse, by a person against a family member or intimate partner.
External Collection Agency	A third party engaged by the Company to undertake collection activity on the Company's behalf as its agent, where the Company retains ownership of the debt.
Debt Sale	The assignment of the legal and beneficial interest in a debt or portfolio of debts to a third-party purchaser, after which the purchaser collects in its own right.
Credit Bureau	A credit reporting body, credit registry or equivalent entity operating in a jurisdiction in which the Company

	operates, to which the Company may disclose information about customers' credit obligations, repayment conduct and defaults as permitted by applicable local law and bureau membership rules.
Default Information	Information disclosed to a Credit Bureau indicating that a debtor has failed to meet a payment obligation, subject to the minimum amount, minimum overdue period, notice and timing conditions prescribed by applicable local law.
Statute-barred Debt	A debt in respect of which the limitation or prescription period for commencing legal proceedings has expired under applicable local law.
Insolvency Proceeding	Bankruptcy, personal insolvency, debt relief, composition or equivalent proceedings or arrangements under applicable local law that stay, restructure or discharge a debtor's obligations.
External Dispute Resolution (EDR)	Review of a complaint by an ombudsman, mediation service or other out-of-court dispute resolution scheme available to customers in an operating jurisdiction, whether membership of that scheme is statutory, a condition of licensing, or voluntary.
Internal Dispute Resolution (IDR)	The Company's internal processes for receiving, acknowledging, investigating and resolving complaints, operated under the Dispute Resolution Policy and consistent with ISO 10002 on complaints handling.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
G20/OECD High-Level Principles on Financial Consumer Protection (2022)	The primary conduct benchmark for this Policy — fair treatment, protection against harassment and abusive collection practices, disclosure, complaints handling and protection of consumers experiencing vulnerability.
World Bank Good Practices for Financial Consumer Protection (2017)	Sets internationally recognised good practice for debt collection conduct, including restrictions on contact,

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.