



# Newcastle Permanent Financial Services Guide

## Financial Planning Services

Dated: 26 November 2018

This guide is intended to provide you with information about Newcastle Permanent Building Society Limited (“NPBS”, “we”, “us” or “our”), the financial planning services we offer and the important documents we may give you. It is designed to assist you in making an informed decision about whether you want to use the financial planning services we offer.

It also contains information about remuneration that we or other relevant persons may be paid in relation to the financial planning services offered, our relationships with product providers, privacy, compensation arrangements and information on how complaints against us are dealt with.

We also provide general advice, arranging and dealing services in relation to certain general insurance products, foreign drafts and pre-paid travel cards. If we offer such services to you we will give you a separate Financial Services Guide which will contain information relevant to those services.

### A guide to our relationship with you and others

#### About us

Established in 1903, we have an extensive network of branches located across Newcastle, the Hunter Valley, Central Coast, Mid North Coast, Northern Rivers, Central West and New England areas. As an established mutual financial institution, we put our customers first by providing an extensive range of financial products and services that are readily available and delivered with efficiency and reliability.

Our Australian Financial Services Licence (AFSL) authorises us to deal in and provide financial product advice in relation to the following product groups:

- › Deposit and payment products
- › General insurance
- › Debentures, stocks or bonds (issued by a government)
- › Life Insurance
- › Superannuation
- › Interests in managed investment schemes (including investor directed portfolio services)

However, when we provide financial planning services to you, we will provide personal financial advice to you, and may deal in (by arranging for) the issue of financial products to you. The financial planning services we provide are in relation to all of the financial products covered by our AFSL, except for general insurance.

#### Documents you may receive from us in relation to financial planning services

##### **Product Disclosure Statements**

If we agree to arrange for the issue of a financial product or if we recommend that you acquire a financial product, we will provide you with a document called a Product Disclosure Statement (PDS). The PDS will assist you in deciding whether or not to acquire a particular financial product. The PDS contains information about the financial product including the features, benefits, costs and risks associated with that product.

The purpose of the PDS is to ensure that you are well informed about the product and to help you compare the product you are interested in with similar products from other financial service providers.

Depending on the type of services we are providing we may also give you other disclosure documents such as terms and conditions documents.

#### **Statement of Advice and Record of Advice**

When we provide you with personal advice, we may provide you with a document called a Statement of Advice (SOA) and/or a Record of Advice (ROA). Each document is a record of the advice provided to you. The purpose of the SOA and ROA is to help you understand our advice and decide whether to rely on it.

Personal advice is advice that takes into account one or more of your objectives, financial situation and needs. An example of personal advice would be where one of our financial advisers reviews your personal circumstances and tailors a financial plan specifically for you. The SOA/ROA will contain the advice, the basis on which the advice is given, any fees and charges payable by you and information about remuneration and other benefits or associations with product issuers or other parties that could have influenced that advice (where possible in actual dollar amounts). You will not receive an SOA/ROA if our personal advice only relates to a basic deposit product or certain non-cash payment facilities (such as cheque books).

Where we provide you with personal advice in relation to a basic deposit product or a non-cash payment facility, information about remuneration and other benefits or associations with product issuers or other parties that could have influenced that advice will be included in another communication (where possible in actual dollar amounts).

If the exact amount is not known at the time you are given the SOA/ROA or other communication, the manner in which the remuneration (including commission) and any other benefits is to be calculated will be set out. You should read any warnings contained in the SOA/ROA carefully before acting on the advice.

#### Who is responsible for the financial services you receive

We and our representatives act under our AFSL (No. 238273) and we act for you (and not, for example, the product issuer) when we provide financial planning services to you. Where we arrange for a product to be offered to you or provide you with personal advice which relates to a financial product, the name of the product issuer and any fees payable by you will be disclosed in the relevant PDS or SOA/ROA. You can also ask our staff for additional information.

#### Giving us instructions

We generally require you to instruct us in person. You may also be able to give us instructions by phone, fax or other means such as email. However, for certain types of instructions, we may impose particular requirements, such as a need for your signature.

#### Our relationships with third parties in relation to financial planning services.

We have associations with BT Funds Management Ltd (BT) and various life insurance product issuers (Insurers). Under our arrangement with BT we receive a trailing commission in relation to our clients with existing BT products. Under our arrangement with the Insurers we receive up front and ongoing commissions on life insurance products that our clients acquire through our financial planning services.

## How we are paid in relation to financial planning services

### **Our staff**

Our staff are remunerated by salary and may also be eligible for an annual cash performance payment and other non cash benefits from time to time. Eligibility for a performance payment is based on a number of factors including quality measures such as compliance audit scores and productivity targets such as the amount of insurance, investment and superannuation products sold. At present the amount of the cash performance payment is unknown, however it will generally not exceed more than 15% of the relevant employee's salary. Our staff may also receive non cash performance benefits from us which may include opportunities to attend business seminars either within Australia or overseas.

### **Our commissions**

We may receive commissions for selling (ie. arranging for the issue of) the products of other product issuers. The table below is a summary of the range of commissions that we may receive.

For example, where you purchase life insurance through us we may receive a commission of up to 80% of the amount of the premium. This means that if the premium for your life insurance is \$400, we may receive a commission of up to \$320. In addition, depending on the type of product and product issuer, ongoing commissions may also be payable yearly on either the anniversary of the sale of the product or on the last day of the relevant period for as long as you hold the product. All commissions are paid either by the product issuer or a third party making a payment directly to us.

Product	Commission range
Risk insurance products including life, income continuation and disability insurance	<b>Up until 31/12/2018:</b> 0% to 80% of the first year's premium payment when it is paid and an ongoing commission of 0% to 20% of any subsequent year's premium payment when it is paid. <b>From 1/1/2019 to 31/12/2019:</b> 0% to 70% of the first year's premium payment when it is paid and an ongoing commission of 0% to 30% of any subsequent year's premium payment when it is paid. <b>From 1/1/2020:</b> 0% to 60% of the first year's premium payment when it is paid and an ongoing commission of 0% to 40% of any subsequent year's premium payment when it is paid.
BT Wrap platform	If you were invested in the BT "Essentials" product prior to 1 July 2012 then NPBS may receive a commission in the amount of 0.60% of the investor's BT Wrap platform balance per annum.

### Our financial planning fees – advisory and transaction services

We may charge you the following fees, depending on the financial planning services you request us to provide:

Type of fee	How it is calculated
Initial Adviser Service Fee	\$1,500 (including GST) for the preparation and implementation of an SOA. \$500 of this fee is due and payable within 30 days of you receiving the SOA even if you choose not to implement the recommendations in the SOA. The remaining \$1,000 is payable on implementation of the recommendations in the SOA.
Annual Adviser Standard Service Fee	\$1,500 per annum (including GST). This fee is for providing an annual review and support throughout the year. If you ask for additional services not included in the ongoing engagement these services will be charged at our Hourly Rate (refer last row below). Your Financial Adviser will provide you with an estimate of the cost of additional services before commencing work. You can choose not to receive this service.
Annual Adviser Premium Service Fee	\$2,500 per annum (including GST). This fee is for providing an annual review and support throughout the year and quarterly adviser contact and support. If you ask for additional services not included in the ongoing engagement these services will be charged at our Hourly Rate. Your Financial Adviser will provide you with an estimate of the cost before commencing work. You can choose not to receive this service.

<b>Transaction Only Services and our Hourly Rate</b>	Our Hourly Rate is calculated at \$250 per hour (including GST) and will be applied for any transactional services where no advice is provided. Your Financial Adviser will give you an estimate of the cost of these services having regard to a number of factors including the complexity and the time required to implement your request. For example, we may charge this rate for establishing a management scheme or superannuation investment for you.
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### Protecting your privacy

The privacy of your personal information is important to us. In general, we collect your personal information for the purpose of providing you with products and services and to allow us to administer our ongoing relationship.

If you would like further information about our privacy and information handling practices, you can obtain a copy of our Privacy Policy by contacting us.

### Compensation Arrangements

We are regulated by the Australian Prudential Regulation Authority (APRA).

As an APRA regulated entity, we are exempt from the compensation requirements in the Corporations Act 2001. However, we do have professional indemnity insurance arrangements in place to help provide cover for claims that relate to the financial services we provide.

### Making a complaint

If you have a complaint about NPBS please tell us so we can do something about it. To register your complaint please visit your nearest branch or call 13 19 87 between 8am and 8pm, Monday to Friday and 8am to 4pm, on weekends. Our staff will either deal with the matter or refer it to an appropriate person who can answer your questions.

If the matter is not resolved to your satisfaction you can ask us to review your complaint by writing to:

**By post:** The Chair  
Dispute Review Committee  
Newcastle Permanent Building Society Limited  
PO Box 5001, HRMC NSW 2310

**By email:** Subject: Dispute Review Committee  
enquiries@npbs.com.au

We aim to resolve most disputes quickly, however some matters are more complex and can take longer to resolve. We will respond to you within 28 days of receiving your complaint, advising you of the outcome of the investigation or the progress made and the need for more time to complete our investigation.

If you are not satisfied with the decision made by the Dispute Review Committee you can refer your complaint to the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme.

You can contact AFCA by writing to:

**Australian Financial Complaints Authority**  
GPO Box 3, Melbourne VIC 3001  
Phone: 1800 931 678 (free call)  
Email: info@afca.org.au  
Website: afca.org.au

The review process provided by AFCA is fair, independent and free for NPBS customers.

Before AFCA can investigate a matter you must first have given us the opportunity to review the matter.

### Here's how to contact us

**By phone:** 13 19 87 (8am – 8pm Monday to Friday, 8am – 4pm weekends)

**By mail:** PO Box 5001, HRMC NSW 2310

**By facsimile:** 02 4927 4475

**At a branch:** To locate your nearest branch visit our website

**Website:** newcastlepermanent.com.au