

AMERICAN EXPRESS

Flexible Payment Option (FPO) Agreement

June 2021



American Express Flexible Payment Option is offered, issued and administered by American Express Australia Limited (ABN 92 108 952 085) under Australian Credit Licence No 291313

® Registered Trademark of American Express Company

Postal Address

American Express Australia Limited

Card Member Services
GPO Box 1582
Sydney NSW 2001

Lost or Stolen Cards in Australia

Telephone: 1300 132 639

Overseas

Call collect (reverse charges) to Australia +61 2 9271 8666

Account Enquiries

Telephone: 1300 132 639 (in Australia)

Internet: americanexpress.com.au

Introduction

This document along with the FPO Financial Table (which will separately be provided to you) make up the agreement for your use of the Flexible Payment Option (FPO) facility on your Linked Charge Card account. It replaces any previous agreement provided to you in relation to your use of FPO.

- **You** and **your** mean the person who applied for this FPO facility but does not include an Additional Card Member.
- **We, us** and **our** mean American Express Australia Limited (ABN 92 108 952 085. Australian Credit Licence 291313).
- **Additional Card Member** means a person issued with an additional Card to access your Linked Account, and may previously have been referred to as a Supplementary Card Member.
- **Card** means any card or other account access device we issue for the purpose of accessing your FPO facility and your Linked Account.
- **Charge** means all transactions made using a card or otherwise charged to your FPO facility, and includes purchases, fees, liquidated damages, commissions, interest, taxes and all other amounts you have agreed to pay us or are liable for under this Agreement.
- **FPO Interest Rate** means the Annual Percentage Rate(s) set out in the FPO Financial Table, or as otherwise notified to you from time to time.
- **Linked Charge Card account or account** means your charge card account with us.
- **Linked Charge Card account agreement** means the conditions which govern the use of your Linked Charge Card account.

By using your FPO facility you agree to the terms of this Agreement.

Please read this Agreement thoroughly and keep it for your reference.

1. About Your FPO facility

Your FPO facility may only be used in conjunction with your Linked Charge Card account.

Despite anything to the contrary in the Linked Charge Card account agreement, FPO allows you to carry forward a portion of your monthly statement balance (other than fees on your Linked Charge Card account) when you want to, up to a maximum of your FPO limit.

Both balances above your FPO limit and fees on your Linked Charge Card account must be paid in full each month under the terms of your Linked Charge Card account agreement.

2. FPO Limit

We will inform you of the FPO limit applicable to your FPO facility. We may reduce your FPO limit at any time. If we do, we will give you notice as soon as reasonably practicable.

If you would like to reduce your FPO limit, you must cancel your FPO facility. Please refer to the section below "Default/ Cancelling the FPO facility on your Linked Charge Card account".

We may approve Charges that result in your balance exceeding your FPO limit. This does not constitute an increase in your FPO limit.

If your outstanding balance on your FPO facility is greater than your FPO limit, you must pay us all amounts that exceed the FPO limit.

3. Statements

We will adjust your Linked Charge Card account statement every month so that it informs you of your monthly Closing Balance and the Minimum Amount Due for that statement period.

It is your responsibility to keep your contact details up to date at all times.

We are not responsible if you do not receive any communication from us (such as a statement or an account alert) because you failed to keep your contact details updated.

4. Minimum Amount Due

You agree to pay us at least the Minimum Amount Due by the due date specified in your statement.

The Minimum Amount Due is calculated as set out in the FPO Financial Table.

Payments will be treated as clearing arrears before they are treated as payment of your minimum payment.

Credits, for example as a result of returned goods or a fee credit, are not considered a payment for the purpose of paying the Minimum Amount Due.

If you have enrolled your Linked Charge Card Account in Direct Debit, your Minimum Amount Due will be automatically deducted (not the full closing balance). If you would like to pay more than the Minimum Amount Due, you may do so via online account or by calling the number at the back of your Card.

5. Fees

The The fees that apply to your FPO facility are set out and described in the Financial Table. You agree to pay these fees and you authorise us to charge them to your account when they are due. Except as noted in this agreement, all fees are non-refundable.

We may change the fees, including changing the way they are calculated, when they are payable or by imposing new fees. We will provide notice of any change as set out in the "Changes" section of your Linked Charge Card account agreement.

6. Liquidated damages

If you do not pay the minimum payment by the due date on your monthly statement, you are in default and you agree that we may charge you liquidated damages as specified in the Financial Table on any overdue amount. Liquidated damages may themselves be included in a future closing balance in any subsequent statement until paid in full.

7. Allocation of Your Payments

When utilising the FPO facility on your Linked Charge Card account, we will apply payments received from you toward the closing balance on your latest statement in the following order: first, to any amounts in excess of your FPO limit, then to other amounts on your statement and thereafter, to amounts that have not yet appeared on your statement.

If within a category, there are amounts with different interest rates, then we will allocate payments to the amount with the highest interest rates first.

8. Interest

Each Charge that you or any Additional Card Members make will constitute a loan from us to you.

(a) How do you receive an interest free period for purchases on your Card?

Interest will not be charged on purchases during the interest-free period. You will have an interest-free period for purchases from the date of the Charge shown on your statement to the payment due date (due date) if every month we receive payment in full by the payment due date.

Payment in full is identified as the Closing Balance on your statement.

(b) Interest on Charges

If we do not receive full payment by the due date shown on your current statement, you will lose your interest-free period for purchases. In that case, you will be charged interest on the outstanding daily balance from the due date or from the date of the Charge (whichever is later), until those amounts are paid in full. We will charge interest at the FPO Interest Rate. If we do not receive full payment by the next statement date you will also be charged interest on all new Charges shown on your next statement from the date of each Charge. For clarity, this may include interest on amounts in excess of your FPO limit. For example:

- a) if your FPO limit is \$20,000;
 - b) you do not currently have an interest free period;
- and
- c) your outstanding balance is \$30,000, then we will charge interest on the full outstanding balance, i.e. \$30,000.

Any partial payment of your balance will have the effect of reducing the interest payable on your FPO facility.

(c) How you regain an interest-free period

Once we receive full payment, your interest-free period will be reinstated. However, you will still be charged interest on all billed and unpaid Charges that are made up until the date that we receive full payment. These additional interest charges will appear on your next statement. Once we have received full payment, any new Charges made after that full payment was received (and credited) will not be subject to interest - so long as you make full payment the next month.

(d) Interest on billed interest and other Charges

Account Charges including billed interest and other charges (except fees) are included in the balance on which interest is calculated.

Interest is charged on these in the same way (including any interest-free period) as set out above.

(e) How we calculate interest on your FPO facility

When interest is payable on Charges, we will charge it at the annual percentage rate or rates (called the *interest rate*) set out in your Financial Table or as later notified to you from time to time. We convert those interest rates into a daily percentage rate for the purposes of the calculation (using 365 days). We calculate interest:

- separately on the different types of Charges which have different interest rates applying (if applicable);
 - each day on amounts that are subject to interest (in accordance with this Interest section), until the amount is fully repaid to us.
 - by applying each daily percentage rate to that part of the unpaid daily balances to which it applies.
- Daily closing balances with a credit balance are treated as zero (0). Any unpaid balance outstanding on your FPO facility at the beginning of the statement period (called the *Opening Balance*) includes billed but unpaid interest charges.

9. Authorisation

We may require Charges to be authorised by us before they are accepted by a merchant. We may refuse any request for authorisation of a charge on reasonable grounds, including for example and without limitation where the charge would cause you to exceed your FPO Limit, where we suspect the charge is fraudulent, is subject to Australian or United States sanctions or does not comply with this Agreement, or where we reasonably believe that you may be unable to fulfil your obligations under this Agreement.

In some cases, a merchant may authorise an FPO Transaction in advance and your available FPO Limit will be reduced by the amount of the authorisation. For example, when you rent a car, the merchant may initially authorise the full amount of the proposed car rental charge. This means that your available credit will be reduced by that amount, which may (i) restrict your ability to make further charges to your FPO facility or (ii) increase the amount due and payable on your linked account.

10. Default/Cancelling the FPO facility on your Linked Charge Card account

(a) You May Close Your FPO facility

You may end this Agreement through our online services, by calling us or writing to us using the contact details on page 2 of this Agreement. We will confirm your FPO facility has been cancelled in writing. This agreement will only come to an end once you have paid off all amounts you owe us on your FPO facility. Until this time all of the terms of the agreement will continue to apply (including our right to change the terms of the agreement), but you will have no rights under it to use the FPO facility to make new FPO Transactions.

(b) We May Close Your FPO facility

We may on reasonable grounds immediately cancel or suspend your FPO facility (i.e. permanently or temporarily stop you from using your FPO facility) or reduce your FPO limit.

This may include if at any time:

- you are in default;
- we suspect any illegal use of your FPO facility or Linked Account;
- we are required to do so by law; or
- we have reason to believe that you may no longer be able to pay your debts.

We will notify you as soon as reasonably practicable if we take any of these actions. Once your FPO facility is cancelled or suspended, you will not be able to use your FPO facility.

We may also terminate this Agreement at any time with 30 days' notice.

If we take such action, you will still be obligated to pay all amounts owing on your FPO facility.

If we end this Agreement you must immediately pay any sums that are due and payable and continue to pay the minimum payment. We will only close your FPO facility when you have paid off all amounts you owe us.

You will continue to be responsible for all charges made using your account, including recurring charges until your account is no longer used and any recurring charges are stopped.

We may end this agreement if your FPO facility is cancelled and you have paid off all amounts you owe us.

(c) About Default and Acceleration

We consider your FPO facility to be in default if:

- you fail to comply with your obligations under this Agreement, for example failure to make any payment when it is due.
- you give us false or misleading information.
- you breach any other agreement that you have with us or with another American Express company.
- we have reasonable grounds to believe you are unable or unwilling to pay your debts when due.
- we suspect any illegal, improper or fraudulent use of your FPO facility or Linked Charge Card Account.

If you are in default and subject to providing the relevant notices under applicable law we may at our discretion require that you immediately pay all sums owing on your FPO facility including unbilled Charges that may not be shown on your statement.

11. Incorporation of Linked Account Agreement

In addition to the obligations set out in this Agreement, the following sections of your Linked Account Agreement, and related definitions, are incorporated into this Agreement and apply to your FPO facility:

- Use of your Card(s)/Codes
- Permitted Uses
- Prohibited Uses
- Statements (although see additional details set out in this Agreement)
- Liability
- Card is Our Property
- Payments
- Payments to Third Parties
- Charges Made in Foreign Currencies
- Supplementary Card Members
- Recurring Charges
- Renewal and Replacement Cards
- Privacy (including the American Express Privacy Statement)
- Lost and Stolen Cards and Misuse of Your Account
- Liability for Unauthorised Charges
- Changes
- Assignment
- Severability
- Suspension
- Communicating with You
- No Waiver of Our Rights
- Complaints and Problems with Goods or Services Purchased
- Assignment of Claims
- Examples
- Governing Law
- Taxes, Duties and Exchange Control
- Complaints

12. Limitation of Our Liability

We are not responsible or liable to you or any Additional Card Member for:

- any refusal, delay or failure by a merchant to accept American Express cards;
- our refusal to authorise a Charge;
- goods and services you charge to your Card, including any dispute with a merchant about goods and services charged to your Card; and
- except in relation to our liability set out in the ePayments Code, damages regardless of how they arise, including loss of profits or any incidental, indirect, consequential, punitive or special damages.

If any warranties or conditions are implied under the Australian Securities and Investments Commission Act 2001 or any similar law in respect of goods or services supplied under this agreement or in connection with a Card, then our liability for a breach of any such warranty or condition is limited to:

- in the case of goods, the replacement cost of the goods, the supply of equivalent goods, the repair of the goods, or the cost of having the goods repaired.
- in the case of services, the supplying of the services again, or the payment of the cost of having the services supplied again.

Information Statement

Things you should know about your proposed credit contract.

This statement tells you about some of the rights and obligations of yourself and your credit provider (*American Express, we, us*). It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact us and, if you still have concerns, the Australian Financial Complaints Authority (AFCA) on 1800 931 678 or write to them at GPO Box 3, Melbourne VIC 3001, or get legal advice.

The Contract

1. How can I get details of my proposed credit contract?

We must give you a pre-contractual statement containing certain information about your contract.

The pre-contractual statement, and this document, must be given to you before:

- your contract is entered into; or
- you make an offer to enter into the contract;

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to us, you must be given a copy to keep. Also, we must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply if we have previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to us and ask for one. We may charge you a fee. We have to give you a copy:

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to us so long as:

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by us has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay us the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the payout figure?

You can write to us at any time and ask for a statement of the payout figure as at any date you specify. You can also ask for details of how the amount is made up.

We must give you the statement within 7 days after you give your request to us. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits us to charge one) and other fees.

7. Can my contract be changed by American Express?

Yes, but only if your contract says so.

8. Will I be told in advance if American Express is going to make a change in the contract?

That depends on the type of change. For example:

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for:
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by us;except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to us. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact the AFCA scheme. The AFCA Scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA Scheme can be contacted at 1800 931 678, GPO Box 3, Melbourne VIC, 3001 or www.afca.org.au.

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at www.asic.gov.au.

Insurance

10. Do I have to take out insurance?

We can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, we cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by us. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by us then, within 14 days of that happening, we must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

We must give you a refund or credit unless the insurance is to be arranged with another insurer.

General

14. What do I do if I cannot make a repayment?

Get in touch with us immediately. Discuss the matter and see if you can come to some arrangement. You can ask us to change your contract in a number of ways:

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

15. What if American Express and I cannot agree on a suitable arrangement?

If we refuse your request to change the repayments, you can ask us to review this decision if you think it is wrong.

If we still refuse your request you can complain to the AFCA Scheme. Further details about this scheme are set out below in question 17.

16. Can American Express take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened contact the AFCA Scheme or ASIC, or get legal advice.

17. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also **READ YOUR CONTRACT** carefully.

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT AMERICAN EXPRESS.

YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH US BEFORE CONTACTING THE AFCA SCHEME IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO US YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS.

THE AFCA SCHEME CAN BE CONTACTED AT 1800 931 678, AT WWW.AFCA.ORG.AU OR WRITE TO THEM AT GPO BOX 3, MELBOURNE VIC 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

American Express' Credit Guide

Definitions

Throughout this credit guide the following words have special meanings:

- **'American Express', 'we', 'us' and 'our'** means American Express Australia Limited (ABN 92 108 952 085, Australian Credit Licence and AFS Licence No. 291313).
- **'You' and 'your'** means the person to whom this credit guide has been provided.

About American Express

American Express has registered as a credit provider under the National Consumer Credit Protection Act. You can contact American Express in the following ways:

Mail: American Express Australia Limited
GPO Box 1582
Sydney NSW 2001

Telephone: 1300 132 639

Resolving Disputes

American Express is committed to customer satisfaction as part of its service philosophy. American Express has established internal procedures to resolve complaints, whilst also being a member of an external dispute resolution scheme.

If you have a complaint about the provision of our credit services, please take the following steps:

- Please contact us by phone on the above number to discuss your complaint.
- If your complaint is not satisfactorily resolved within twenty (20) business days, please address your complaint in writing to:

Mail: **The Complaints Manager**
American Express Australia Limited
GPO Box 1582
Sydney NSW 2001

- American Express makes every endeavour to resolve complaints in a prompt and fair manner, having regard to the law. If however you continue to remain dissatisfied with American Express' decision, you may seek to have your complaint considered by the Australian Financial Complaints Authority (AFCA), an independent, external dispute resolution body.

Please note that AFCA will refer you to American Express if you didn't first raise your complaint with us.

You may contact AFCA by the following means:

Mail: Australian Financial Complaints Authority
GPO Box 3,
Melbourne VIC 3001

Telephone: 1800 931 678

Fax: +61 3 9613 6399

Internet: www.afca.org.au

- The Australian Securities and Investments Commission also has an Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Assessment of Unsuitability (applicable for credit contracts entered into from 1 January 2011)

From 1 January 2011, before we enter into a credit contract with you, or increase your credit limit, we must undertake an assessment to ensure that the credit contract or increased limit would not be 'unsuitable' for you.

As part of this assessment we will make reasonable inquiries about your financial situation and your requirements and objectives and then take reasonable steps to verify your financial situation.

We must not offer you a credit contract, or increase in credit limit, if we assess it as unsuitable for you. We will assess it as unsuitable if you will be unable to comply with your financial obligations under the credit contract, could only comply with substantial hardship, or it will not meet your requirements or objectives.

You may request a copy of your assessment up until 7 years after we enter into a credit contract with you, or increase your credit limit. We must provide the assessment to you in accordance with the timeframes below:

If you request your assessment	We must provide it
Before we enter into a credit contract with you or increase your credit limit.	Before entering the credit contract or increasing the credit limit.
Within 2 years after we enter into a credit contract with you or increase your credit limit.	Within 7 business days after we receive the request.
After 2 years but within 7 years after we enter into a credit contract with you or increase your credit limit.	Within 21 business days after we receive the request.

Note that we are not required to give you a copy of the assessment if we do not enter into a credit contract with you or do not increase your credit limit.



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