SBS Bank Fair Conduct Programme Summary

About us

Our purpose is Helping Kiwis find a place to call home. With branches, people and 24/7 banking right across New Zealand, we're a mutual bank owned by our Members (customers just like you) and here for New Zealanders.

We've stuck to our belief that banking is all about putting people first and we've got over 155 years under our belts to prove it.

Our Fair Conduct Programme helps us demonstrate our commitment to our customers[1].

Fair Conduct Programme

Our Fair Conduct Programme includes policies, controls, systems, and processes that we have in place to ensure that our employees, contractors, agents and intermediaries treat our customers fairly. This includes:

- Looking out for our customers interests.
- Acting ethically, transparently, and in good faith.
- Helping our customers make informed decisions.
- Ensuring that our products meet the needs of our customers.
- Not subjecting our customers to unfair pressure or influence.

This summary is intended to help our customers to:

- Be reasonably aware of how we will treat our customers fairly.
- Make informed decisions about dealings and interactions with us in relation to the relevant services and associated products we provide.
- Understand how to make a complaint about our products and services.

Treating our customers fairly

We treat our customers fairly by:

- Supporting customers in vulnerable circumstances.
- Designing our products to ensure that they are suitable for our customers' requirements and objectives.
- Reviewing our distribution methods to ensure that our employees comply with our policies and procedures when selling our products or providing financial advice.
- Having policies and procedures in place to manage the distribution of our products through our intermediaries.
- Reviewing our customer communications to ensure they are clear and easy to understand.
- Designing our commission and incentive arrangements to support good customer outcomes.
- Defining our roles, responsibilities and training requirements to ensure that our customers are treated fairly.

We have expanded on each of the above points in further detail below.

Customer Vulnerability

We have policies, processes, training and guidance in place to ensure our team members support vulnerable customers and other customers experiencing temporary or permanent circumstances where extra care is required to meet their banking needs.

[1] Customers of SBS Bank are also referred to as Members

Product Design and Management

When designing, developing and managing our products, we make sure to:

- Learn what products our customers need and design our products to meet those needs.
- Monitor what types of customers are using the products and how they use them.
- Review products regularly to make sure they still meet our customer's needs.

Each product has a profile which includes the key features, target market and product details. The product profiles help our team members assist our customers to select suitable products.

Communication

We advertise, market and promote our products and services honestly and clearly including any fees or charges. We make sure our communications are easy to understand with appropriate disclosure provided.

We have internal processes in place to ensure that our advertising meets New Zealand laws and the principles and guidelines set out in the Financial Advertising Code published by the Advertising Standards Authority.

We make information about our products and services easily accessible by:

- Displaying information clearly using simple fonts, colours and images.
- Making information easy to read and understand.
- Supplying information in different formats.

We also receive feedback from customer surveys which helps us to:

- Improve our products.
- Identify product suitability issues.
- Ensure our team members provide great service.

Employee Training

All SBS Bank team members complete initial and ongoing training relevant to their roles. SBS Bank provides support, coaching and ongoing professional development to team members to ensure our customers are treated fairly.

Intermediated Distribution

We distribute our products through intermediaries, such as mortgage advisers.

We have distribution agreements in place with our intermediaries, as well as policies and procedures to manage the distribution of our products. All of our intermediaries are:

- Financial advice providers licensed by the FMA.
- Registered on the Financial Service Providers Register and a member of an approved Dispute Resolution Scheme.
- Required to comply with conduct obligations including the requirement to treat customers fairly.

If an intermediary is unable to comply with these obligations or breaches any legal or regulatory requirement, we may terminate our relationship with that intermediary and they will be prohibited from having applications considered by us for our products.

We provide information and training material to our intermediaries including:

- Conduct, registration and accreditation expectations.
- An overview of our products.
- Customer onboarding and application criteria.
- Complaints processes.
- Broker commission structure.

Incentives

Our commission or incentive arrangements are designed to support good customer outcomes. Our employees that are authorised to provide regulated financial advice (Nominated Representatives) are paid a salary and do not receive incentives linked to sales targets. Instead, their performance is measured against our SBS Bank values, which are connected to good customer outcomes.

Intermediaries are paid commissions at fixed rates based on the type and value of a loan referred to SBS Bank. Commission rates are fixed and do not change in relation to the number of referrals an intermediary makes to SBS Bank.

Conflicts of Interest

Our team members (including Nominated Representatives) may have a personal conflict of interest when providing our products, services, or financial advice to customers. Our team members are trained to identify and report conflicts of interests. We have policies and processes to manage and mitigate conflicts of interests.

Roles and Responsibilities

We have clearly defined roles, responsibilities and controls that:

- Ensure our customers are treated fairly.
- Identify any conduct that leads to unfair treatment of our customers.
- Require us to take appropriate action when any breaches occur.

Making informed decisions

Financial Advice

SBS Bank is a Financial Advice Provider licensed by the Financial Markets Authority. This allows our Nominated Representatives to provide regulated financial advice.

All Nominated Representatives must complete a specified training and accreditation process before they can provide financial advice to our customers. Our Nominated Representatives have the capability to understand when to recommend or not recommend a product or provide referrals where appropriate.

To assist our customers to make informed decisions when acquiring our products, our Nominated Representatives go through a needs assessment to ensure that we recommend suitable products to them. We are committed to taking extra care with customers in vulnerable circumstances.

We monitor financial advice conversations to ensure that products recommended are suitable and our customers are treated fairly.

We will investigate any issues identified with advice provided by our Nominated Representatives.

For more information on what advice our Nominated Representatives can provide, please refer to SBS Financial Advice Provider Information.

Responsible Lending

SBS Bank is committed to responsible lending and the lender responsibilities contained within the Responsible Lending Code and the Code of Banking Practice.

Financial Hardship

We have robust policies and processes in place to ensure we treat our customers fairly when a borrower suffers unforeseen hardship or loan repayment difficulties.

Complaints

We have policies and procedures to manage complaints to ensure fair treatment of our customers. Complaints can be made by:

Writing to us:

- sending a letter by post
- completing the form within our Customer Complaints Brochure available in branch and from our Contact Centre on 0800 727 2265, or online at sbsbank.co.nz
- emailing our customer complaints team directly at customercomplaints@sbsbank.co.nz
- contacting us through social media

Talking to us:

- in person at any SBS Bank branch
- by calling us on 0800 850 331

We acknowledge complaints within two working days. We will investigate the complaint and provide a first response within 20 working days.

We may ask for further information to help with this process and we will continue to provide progress updates.

Once we have completed our investigation, we will provide our final response. If we uphold a complaint, we will set out how we have resolved the issues raised in the complaint. If we do not uphold a complaint, we will provide our reasons for this and the options that are available to the customer to escalate their complaint.

For more information about making a complaint, please refer to our Complaint Procedure

External Disputes Resolution

SBS Bank is a member of the Banking Ombudsman Scheme. If a customer has followed our internal complaints process and is not satisfied with the outcome, they can contact the Banking Ombudsman Scheme (BOS). This is an independent and free service, which may be able to help customers investigate or resolve a complaint. Contact details for this service are below:

Postal:	Freepost 218002 PO Box 25327 WELLINGTON 6146	**E-mail:** help@bankomb.org.nz **Telephone:** 0800 805 950 or (04) 915 0400 **Website:** www.bankomb.org.nz
Physical:	Level 5 Huddart Parker Building 1 Post Office Square Wellington 6011	

Review

The SBS Bank Fair Conduct Programme is reviewed annually, or more frequently when required, and approved by the SBS Board of Directors.