

# Important changes to CUA's Credit Cards Conditions of Use and Credit Guide

CUA has updated its Credit Cards Conditions of Use and Credit Guide, effective 1 January 2019. To help you understand the changes that may affect you, we've provided a summary of the key items below.

A full copy of the updated Conditions of Use and Credit Guide will be available in branch or can be downloaded from our website at [cua.com.au/creditcard\\_COU](http://cua.com.au/creditcard_COU) from 3 December 2018.

## Calculating interest on your Account

The Australian Government passed new legislation which will change the way we calculate interest on purchases for credit cards with interest free days from 1 January 2019.

### What's changing?

Members who do not pay their full Closing Balance shown on their statement by the Due Date will generally be charged interest on their Purchases Balance from the day after the Due Date shown on the ir statement, rather than from the date the Purchase was debited to the Account.

### What does this change mean for you?

Depending on how you manage your Account it may not affect you or it may mean you pay less interest on your Purchases Balance. See which scenario is best suited to you to understand if anything changes.

#### I currently pay interest on my existing Purchases Balance

This change won't immediately impact you until you pay your Closing Balance in full by the Due Date shown on your statement or your opening balance for a new Statement Period is zero or in credit and you regain the interest free days benefit.

#### I pay my Closing Balance in full each month by the Due Date

This change won't directly impact you - you'll continue to pay no interest on your Purchases Balance, as long as you continue to pay the Closing Balance in full by the Due Date.

#### I usually pay my Closing Balance in full by the Due Date, but sometimes I only make a partial payment and pay interest on the Purchases Balance

If you usually pay your Closing Balance in full by the Due Date but after 1 January 2019 you don't, this change will affect you. The great news is this change may mean you'll pay less interest, because you'll be charged interest on your Purchases Balances from the day after your Due Date (instead of the from the date of your purchase) and until you next pay your Closing Balance in full by the Due Date or your opening balance for a new Statement Period is zero or in credit.

As such, on page 29-30 we've made updates to how interest is calculated where an interest free period applies. Section '4.2 Interest free period on Purchase Balance' has been changed to read:

You can avoid paying interest on the Purchases Balance by utilising the interest free period. Interest free periods start the day your Account opens and will continue until you fail to pay the Closing Balance in your statement in full by the Due Date noted in that statement. If you fail to pay the Closing Balance in full by the Due Date, interest will be calculated on the Purchases Balance from the day after that Due Date.

A new interest free period will begin when one of the following occurs:

- You pay the full Closing Balance by the Due Date in your statement.
- Your opening balance for a new Statement Period is zero or in credit. The interest free period will start on the first day of that Statement Period.

## Reducing your Credit Limit

On page 7 we've included other methods by which you can lodge a Credit Limit decrease request. As such, section '2.3 Credit Limits' will include the following:

You can make a request to reduce your Credit Limit by:

- Lodging it through Online Banking at [cua.com.au](http://cua.com.au); or
- Dropping into your local CUA branch; or
- Downloading the form from our website and mailing it to us; or
- Calling us.

You cannot reduce your Credit Limit below the product minimum. The product minimum is \$500 for Low Rate Credit Cards and \$5,000 for Platinum Credit Cards. The Credit Limit also cannot be reduced below the current Account balance. However, the Credit Limit can be reduced to the requested amount if you first repay the amount required to reduce the Account balance to at, or below, the new requested Credit Limit.

## Closing your Account

On page 25 we've included other methods by which you can lodge an Account closure request. As such, 'section 3.11 Cancellation of Cards and closure of Account' will include the following:

You can make a request to close your Account by:

- Lodging it through Online Banking at [cua.com.au](http://cua.com.au); or
- Dropping into your local CUA branch; or
- Downloading the form from our website and mailing; or
- Calling us.

## Failure to activate the Primary Card within 90 days

We have updated the conditions of use to make it clearer that failure to activate the Primary Card within 90 days of issue will result in the Card being cancelled and the Account closed.

We have added to section 2.2 Activating a Card on page 6: The Primary Card must be activated within 90 days of being issued by us. If it is not activated within 90 days, the Card will be cancelled and subsequently your Account will be closed.

We have also inserted in 3.11 Cancellation of Cards and closure of Account on page 24:

Failure to activate the Primary Card within 90 days of being issued, reissued or replaced will result in the Card being cancelled, as well as the Cards of each Additional Cardholder, and subsequently your Account being closed. CUA will provide notice of cancellation and closure as soon as practicable after the Credit Card Account is closed.

### What you can use the Account for

On page 9, section '2.6 What you can use your Account for', we've made it clearer that you or any Additional Cardholders must not use the Account for gambling.

### Multi Currency Transactions

On page 12 we've amended how international transactions will convert, as there are some currencies which will no longer be required to convert to USD before converting to AUD. As such, in section '2.9 Foreign currency transactions' under 'Multi Currency Transactions' we have amended that section to be as follows:

Multi Currency Transactions

- In the case of Multi Currency Transactions - Purchases, Cash Advances, refunds, reversals, and any other charges originating in other currencies are converted to AUD as at the date of processing by Mastercard, using a government mandated exchange rate/s or a wholesale exchange rate/s obtained by Mastercard from a range of international currency providers. In some cases, Purchases, Cash Advances, refunds, reversals, and other charges originating in a currency other than AUD may be first converted to United States dollars (USD) before being converted to AUD.
- In the case of refunds and reversals, Mastercard converts a refund or reversal using the exchange rates applicable as at the date of processing the refund or reversal by Mastercard. This means that the refund or reversal may be converted using an exchange rate/s different from what was used to convert the original Transaction.
- The converted AUD amount appears on your statement as the Transaction amount.

### Cash Advance

On page 50, we have amended the Cash Advance definition to make it clearer. As such, the Cash Advance definition will read as follows: means any debit to the Credit Card Account treated by us as a Cash Advance which includes:

- Cash withdrawn from an ATM or at a financial institution;
- Items we consider equivalent to cash such as, but not limited to, traveller's cheques and transactions which merchants tell us are for such items (including any related fees).

A relevant debit will be treated as a Cash Advance even when the Account is in credit.

### Blocked transactions on your Account

On page 11, we have made it clearer that we may temporarily or permanently block a transaction or the use of a Card and/or your Account if we have reason to suspect a breach of the Agreement.

### Using the "Pays"

To make it clearer how these conditions of use work when you are accessing your Credit Card through the "Pays" or other similar applications (e.g. Apple Pay, Samsung Pay, Google Pay) we have updated the definition of "Contactless Purchase" on page 51 and "use" on page 56 to:

"Contactless Purchase" means a method of authorising Purchases by waving or tapping a Card or a mobile payment app and/or digital wallet that accesses a Card (which are capable of making a Contactless Purchase) in front of a Contactless Reader and without having to insert or swipe the Card. "use" in relation to a Card means any physical use of the Card, use of the Card via a mobile payment app and/or digital wallet that accesses the Card (e.g. Apple Pay, Samsung Pay, Google Pay) and any notification of the Card number in relation to the Card or the Account (examples include but are not limited to: physical use of the Card or device that accesses the Card at a Contactless Reader or an ATM, providing the Card number to a merchant by telephone, internet or in a mail order or other authority)".

### Australian Financial Complaints Authority (AFCA)

AFCA is a single financial services external dispute resolution scheme, replacing Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman and the Superannuation Complaints Tribunal. If an issue has not been resolved to your satisfaction by us, you can lodge a complaint with AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. As such, all references to FOS have been replaced with AFCA details: Australian Financial Complaints Authority:

Online: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)

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

### Other changes

We have also made some minor typographical changes throughout.

### FURTHER INFORMATION

A copy of this Notice of Change, the current Credit Cards Conditions of Use and Credit Guide and Frequently Asked Questions are available for review from our website at [cua.com.au/everyday-banking/credit-cards](http://cua.com.au/everyday-banking/credit-cards) in the Quick Links section.



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