

Sydney 29 November 2018

## **RESPONSE TO ASIC'S REPORT ON THE BUY NOW PAY LATER SECTOR**

FlexiGroup Limited (ASX:FXL) welcomes ASIC's report of its review into the buy now pay later (BNPL) sector. It supports the observations and findings in that report in relation to areas of better practice and improving the BNPL sector standards to support consumer access to appropriate credit.

FlexiGroup has a 30 year history in Australia, with well-established risk and governance processes, and a track record of adapting to and, in many cases, leading industry and regulatory change. We bring this approach to all of our products, many of which are already regulated under the National Credit Act.

FlexiGroup has taken proactive steps with its BNPL products Certegy Ezi-Pay and Oxipay, which make up approximately 20% of the FlexiGroup customer base, to protect consumers:

- Certegy Ezi-Pay and Oxipay do not allow a customer to further purchase if they are late on even a single instalment payment, and that payment remains overdue.
- Certegy Ezi-Pay and Oxipay are both members of to the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme for consumers of financial services and products
- FlexiGroup has recently introduced newly improved complaints management and hardship processes for its customers
- In advance of the release of the ASIC report, FlexiGroup had already taken proactive action on reducing fees for our Oxipay product

FlexiGroup is well placed to respond to the matters addressed in the report and continues to improve its products and its customer communications. We have strong income verification processes with our regulated products, and believe these processes could easily be adopted into the BNPL sector to deliver better consumer protection. As the consumer's obligation to repay remains unchanged whether the product is regulated or not, we believe our obligation in ensuring their welfare should be consistent with a regulated product.

FlexiGroup will continue to engage with the community and our customers to ensure we strike the right balance between credit access with flexibility and convenience, with appropriate safeguards.

For further information:

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## ABOUT FLEXIGROUP

FlexiGroup is a diversified financial services group providing “no interest ever”, leasing, vendor finance programs, interest free and credit cards, lay-by and other finance solutions to consumers and businesses.

Through its network of over 20,000 merchant, vendor and retail partners the Group has extensive access to four (4) key markets, Business to Consumer, Business to Business, Retail to Consumers (and small business customers) and online.

Performance has been characterised by solid profitable growth as the company has expanded and diversified its business through organic growth, acquisition and product innovation.

FlexiGroup operates in Australia, New Zealand and Ireland within a diverse range of industries including: home improvement, solar energy, fitness, IT, electrical appliances, travel and trade equipment.

For more information visit: [flexigroup.com.au](http://flexigroup.com.au)

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