

15 September 2020

New Energy Tech Consumer Code

- Australian Competition Tribunal determination decision in line with **flexigroup's** application
- BNPL will continue to operate in its current form to support continued adoption of NET

FlexiGroup Limited (ASX: FXL) ("**flexigroup**" or "**hummm**") welcomes the Australian Competition Tribunal ("**Tribunal**") decision to amend elements of the New Energy Tech Consumer Code ("**NETCC**") in line with **flexigroup's** application.

This decision paves the way for buy now pay later ("**BNPL**") and **hummm** to continue operating in its current form, supporting the continued and increasing adoption of new energy technology ("**NET**") across Australia. The determination also means current distribution models by NETCC merchants will remain unchanged.

An application was made by a range of energy bodies¹ to the Australian Competition and Consumer Commission ("**ACCC**") in May 2019, for authorisation of the NETCC, a voluntary code of conduct for suppliers of NET products and services. The NETCC requires signatories to meet minimum standards of good practice and consumer protection in relation to the marketing, distribution and financing of NET products and services. **hummm** has always supported the enhanced consumer protections contained in the NETCC.

As one of the largest providers of NET finance in Australia, **hummm** intervened in December 2019 before the Tribunal to ensure that:

- the NETCC properly recognises the robust regime already in place for the unsolicited selling of NET products and services;
- responsible lending regime changes for the financing of NET products and services aligns with ASIC's broader review of the BNPL sector, and also reflects the significant progress made to enhance consumer protections through the voluntary BNPL Code of Practice; and
- any changes to the way in which NET products and services are marketed, distributed and financed are subject to a reasonable transitional period.

Rebecca James, **flexigroup's** Chief Executive Officer said:

*"We have supported the NETCC's intent of increasing consumer protection from the outset. The decision today is a win for consumers. **hummm** has financed over 210,000 solar installations or nearly 10% of all installed grid-connected solar systems in Australia. Of these, less than 1% have experienced any hardship or default, clearly illustrating that additional regulation is not required to ensure great consumer outcomes and industry leading customer satisfaction.*

*"We also note that as a direct result of **hummm's** participation before the Australian Competition Tribunal, a reasonable transitional period has been granted to NET providers, including our valued merchants, to adopt any necessary changes.*

¹ The applicants include Australian Energy Council, Clean Energy Council, Smart Energy Council and Energy Consumers Australia.

“The decision recognises the importance and popularity of BNPL as a way to finance new energy technologies. BNPL increases competition and has been meaningful in driving the adoption of green energy solutions, benefiting consumers and the environment. It is the simplest and cheapest form of finance, offering consumers the swiftest payback on their investment.

“We look forward to working with our merchants to drive the continued adoption of new energy technologies across an increasing number of households who support a more sustainable environment.”

Authorised for release by the **flexigroup** Disclosure Committee.

-ENDS-

Investor Relations Contacts

Suk Hee Lee – Corporate Affairs
+61 433 343 888

Media Contact

Roger Newby – Domestique
+61 401 278 906

ABOUT FLEXIGROUP

flexigroup is a diversified full service payments company with leading offerings in buy now pay later, revolving credit and SME finance. Serving a broad footprint of millennial spenders, through to young families and small and medium businesses, it facilitates purchases for over 2.2 million customers. For more information visit: flexigroup.com.au