



# ASX Release

19 December 2019

## Zip welcomes Code of Practice

Zip Co Limited (ASX: Z1P) today welcomed the announcement a Buy Now Pay Later (BNPL) industry Code of Practice will be released for public consultation in January 2020.

“The Code is still a draft but is intended to show our sector is mindful of its responsibilities to consumers and spells out minimum standards of how this fast-emerging industry should conduct its business,” said Zip co-founder and Chief Operating Officer Peter Gray.

“Australians are increasingly turning away from credit cards and embracing BNPL offerings. What we offer is a simple and transparent payment method that is interest free.”

From Zip’s perspective, the Code is a strong starting point. Zip will continue to implement its own more robust and consumer-focused standards which it believes delivers Zip customers better outcomes.

These higher standards are about Zip using its proprietary technology to verify applicants’ identity and then making sure customers can afford their repayments.

“Since we started, Zip has performed credit and identification checks on every application. Our business model does not rely on late payment fees and, in fact, only one in 100 Zip Pay customers pay a late fee in any given month, compared with one in six credit card customers that struggle with repayments,” Mr Gray said.

Zip encourages consultation on the Code and will work to promote compliance with the Code’s minimum standards for BNPL industry participants, as well as continuing to work with interested stakeholders including government, regulators and consumer groups.

The Code is a recommendation of the Senate Economics Committee’s February 2019 report *“Credit and financial services targeted at Australians at risk of financial hardship”* and is being developed by the Australian Finance Industry Association (AFIA), the leading voice of a diverse finance industry on behalf of BNPL participants.

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**About Zip**

ASX-listed Zip Co Limited (Z1P: ASX) or (“Zip”) is a leading player in the digital retail finance and payments industry. The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries. It operates under the Zip Pay, Zip Money and Pocketbook brands. The Company is focused on offering transparent, responsible and fairly priced consumer products. Zip’s platform is entirely digital and leverages big data in its proprietary fraud and credit decisioning technology to deliver real-time consumer responses. Zip is managed by a team with over 50 years’ experience in retail finance and payments and is a licensed and regulated credit provider.

For more information, visit: [www.zip.co](http://www.zip.co)