

kiwi bank It's ours

Credit card terms and conditions for business banking

Effective August 2010



Made for Kiwi business

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1. Introduction

1.1 Applicable terms and conditions

When an **authorised person** uses or accesses a **credit card account**, these terms will apply. The **customer** and all **authorised persons** agree to be bound by these terms.

1.2 Other terms and conditions

The **customer's** banking relationship with Kiwibank is governed by the **general terms** and specific terms and conditions that apply to particular accounts or services. If there is any conflict between **these terms** and the **general terms**, then **these terms** will apply.

The **general terms** contain important information about the **customer's** responsibilities and liabilities and Kiwibank's responsibilities and liabilities in relation to **cards**, the **credit card account** and electronic banking, including how to keep the **card** and **PIN** safe. Copies of Kiwibank's **general terms** are available at www.kiwibank.co.nz.

1.3 Meanings of words

The meanings of words in bold and other commonly used words are set out in section 11. Kiwibank means Kiwibank Limited and its successors, assignees and transferees.

2. Account operation

2.1 Account opening

Kiwibank will decide whether the **customer** may use a **credit card account** and how the **credit card account** may be used.

2.2 Credit card account

All transactions that are made using a **card**, and all payments that are made in respect of those transactions, will be processed through the **credit card account**.

2.3 Authorised persons

The **customer** may request Kiwibank to allow another person to use or access a **credit card account**. Kiwibank may accept or refuse the **customer's** request. If Kiwibank accepts the **customer's** request:

- that person will be an **authorised person**;
- Kiwibank and the **customer** will agree in writing the manner in which the **credit card account** is used or accessed by that **authorised person**;

- the **customer** will be responsible for that **authorised person** and for ensuring his or her compliance with **these terms** (and the **general terms**);
- the **customer** will be liable for all costs that the **customer** or Kiwibank incurs as a result of the actions of that **authorised person**; and
- the **authorised person** will be liable for all costs that the **customer** or Kiwibank incurs as a result of the actions of that **authorised person**. In particular, the **authorised person** will be liable for the part of the **outstanding debit balance** incurred on the **authorised person's card**.

2.4 Identification

Kiwibank may require verification of the identity of an **authorised person**. This may involve asking the **authorised person** a series of questions or requesting that the **authorised person** provides suitable identification.

3. Fees and costs

3.1 Fees

Kiwibank will charge fees on a **credit card account** and for any banking services that Kiwibank provides and Kiwibank will debit those fees to the **credit card account**. A list of Kiwibank's current fees for **credit card accounts** is available at www.kiwibank.co.nz or by phoning 0800 601 601. Kiwibank may change the amount of those fees or impose any new fee as long as Kiwibank gives **notice** to the **customer** and all **authorised persons** at least 14 days before making the change or imposing the fee.

3.2 Costs

If Kiwibank incurs any costs in relation to a **credit card account** or any banking services, the **customer** will be liable to Kiwibank for the amount of those costs and Kiwibank will debit those costs to the **credit card account**.

4. Interest

4.1 No interest on fees or unpaid interest

Unless Kiwibank advises otherwise, interest will not be charged on any fees debited to the **credit card account**, or on any unpaid interest.

4.2 Cash advances and balance transfers

Interest will be charged on any **cash advance** made to an **authorised person** on a daily basis from the date the **cash advance** is made until the date it is repaid in full.

Interest will be charged on any **balance transfer** made by an **authorised person** on a daily basis from the date the **balance transfer** is made until the date it is repaid in full, unless otherwise stated due to promotions or special offers.

4.3 Other transactions

Interest on all transactions other than **cash advances** and **balance transfers** will be charged as follows.

- The **customer** will pay no interest on transactions shown in a **monthly statement** if the **customer** (1) paid the **closing balance** of the previous **monthly statement** by the **payment date** shown in the previous **monthly statement** and (2) pays the **closing balance** of the **monthly statement** by the **payment date** shown in the **monthly statement**
- If the **customer** does not pay the **closing balance** of the **monthly statement** by the **payment date** shown in the **monthly statement**, the **customer** will pay interest on transactions shown in the **monthly statement** and on new transactions made after the **closing date**, on a daily basis from the date each transaction is made until the date of repayment in full of the **closing balance** of the **monthly statement**.

4.4 Rate

The rate of interest the **customer** pays is shown on the **monthly statement**.

5. Credit cards

5.1 Cards

A **card** remains Kiwibank's property at all times. A **card** must not be copied and must be returned to Kiwibank, or destroyed, if requested by Kiwibank.

5.2 Card issue and safety

When an **authorised person** receives a **card**, the **authorised person** must immediately sign the **card** in the space provided. The **authorised person** must not use the **card** before it is signed.

The **authorised person** must take care of the **card** issued to him or her, and must not give the **card** to anyone or let anyone else use it (including the police, family, or any staff of Kiwibank or the **customer**), and always take the **card** back after using it.

5.3 Expiry

Kiwibank will send an **authorised person** a new **card** when a **card** is about to expire. An **authorised person** must destroy a **card** as soon as it has expired.

5.4 Cancelling cards

The **customer** may require Kiwibank to cancel a **card** by asking Kiwibank to do so in writing. The **card** must be returned to Kiwibank for cancellation, unless Kiwibank agrees to cancel the **card** earlier.

5.5 Lost or stolen cards

An **authorised person** must notify Kiwibank immediately if a **card** has been lost or stolen or the details on the card (such as the **card** number and expiry date) are or might have been disclosed to an unauthorised person. Kiwibank will issue a new **card** to the **authorised person** on request.

5.6 Damaged or faulty cards

Kiwibank will send an **authorised person** a new **card** on request if any **card** has been damaged or is faulty. An **authorised person** must destroy any damaged or faulty **card** as soon as it has been reported damaged or faulty.

5.7 Transaction limits and restrictions

Different **ATMs** and **EFTPOS** terminals have specific maximum and minimum amounts for withdrawals or purchases. In addition, Kiwibank sets total maximum limits for the **customer's** and/or an **authorised person's** transactions in any day or 24 hour period.

Banks and merchants may determine the types of transactions permitted and the fees payable by the **customer** for using their **ATMs**, **EFTPOS** terminals or other payment systems.

Some merchants (for example, hotels, motels and car rental agencies) may impose a **hold amount**.

5.8 PIN

The **customer** may request that an **authorised person** be given a **PIN** on a **card**. If so, that **authorised person** will be asked to select a **PIN**.

An **authorised person** must keep his or her **PIN** safe in accordance with the **general terms**. The **customer's** liability if the **PIN** of an **authorised person** is disclosed is set out in the **general terms**.

6. Credit and card limits

6.1 Credit limit

An **authorised person** must not use his or her **card** if the purchase (plus the **hold amount**, if any), **cash advance** or **balance transfer** would mean that the **authorised person** exceeds the **credit limit**.

Kiwibank may choose to honour a transaction even if it means the **authorised person** exceeds the **credit limit**. However, the **customer** may ask Kiwibank not to honour electronic transactions where the merchant can check the available balance in real time if it means the **authorised person** will exceed the **credit limit**.

If an **authorised person** exceeds the **credit limit**, the **customer** must pay the excess amount to Kiwibank immediately.

6.2 Changes to credit limit

Kiwibank may increase or reduce the **credit limit** at any time by giving **notice** to the **customer** at the **customer's** last known address. The **customer** may decline an increase to the **credit limit** if the **customer** does not want it.

If the **customer** wants to increase or reduce the **credit limit**, the **customer** must contact Kiwibank.

6.3 Card limit

An **authorised person** must not use his or her **card** if the purchase (plus the **hold amount**, if any), **cash advance** or **balance transfer** would mean that the **authorised person** exceeds his or her **card limit**.

6.4 Changes to card limits

Kiwibank may reduce a **card limit** at any time by giving **notice** to the **customer** and the relevant **authorised person** at the **customer's** and **authorised person's** last known addresses.

If the **customer** wants to increase or reduce a **card limit**, the **customer** must contact Kiwibank.

7. Transactions

7.1 Purchasing goods and services

If a **card**, **card** and **PIN**, or any other details of a **card** are used to purchase goods or services, the **customer** authorises Kiwibank to debit the **credit card account** with the amount of the transaction and to credit that amount to the relevant merchant's account without further verification or authentication.

7.2 Cash advances

If a **card**, **card** and **PIN**, or any other details of a **card** are used at an **ATM**, bank or financial institution for any **cash advance**, the **customer** authorises Kiwibank to debit the **credit card account** with the amount of the **cash advance** without further verification or authentication.

7.3 Balance enquiries

If a **card** and **PIN** are used at an **ATM** for any balance enquiry, the **customer** authorises Kiwibank to reveal the balance of the **credit card account** without further verification or authentication.

7.4 Balance transfers

If a **card**, **card** and **PIN**, or any other details of a **card** are used for any **balance transfer**, the **customer** authorises Kiwibank to debit the **credit card account** with the amount of the **balance transfer** and to credit that amount to the relevant account with Kiwibank or another bank or financial institution without further verification or authentication.

7.5 Transactions effective

The **customer** authorises Kiwibank to debit the amount of each **card** transaction to the **credit card account**. An **authorised person** cannot stop or alter transactions that are made with a **card**. This means that if an **authorised person** gives someone the details of a **card** or allows a transaction to be processed before the **customer** receives goods or services, and the **customer** then does not receive those goods or services, or is unhappy with them, the transaction may not be reversible. An **authorised person** should always consider the security and standing of the merchant before making a transaction.

7.6 Foreign currency transactions

When an **authorised person** uses a **card** for foreign currency transactions, the transactions will be charged to the **credit card account** in New Zealand dollars at a rate of exchange determined by **MasterCard** on the date it sends the transaction details to Kiwibank.

8. Payments

8.1 Obligation to pay

The **customer** must pay Kiwibank the **outstanding debit balance** on the **credit card account**, or any part of it, in the manner and at the times required under **these terms** (and the **general terms**).

The **customer** must pay, on or before each **payment date**, not less than the **minimum payment**, which is either 5% of the **closing balance** of the relevant **monthly statement** or \$10, whichever is greater.

Payment must be credited to the **credit card account** on or before the **payment date**.

Kiwibank may at any time require the **customer** to immediately pay Kiwibank all or part of the **outstanding debit balance**.

Kiwibank may at any time require an **authorised person** to immediately pay Kiwibank the part of the **outstanding debit balance** incurred on that **authorised person's card**.

8.2 Additional payments

The **customer** may at any time make additional payments over and above the **customer's minimum payments**.

8.3 Minimum payment not required

The **customer** is not required to make a **minimum payment** if the **customer's** most recent **monthly statement** has a **closing balance** of less than \$10 (unless Kiwibank specifically asks the **customer** to) or indicates that the **credit card account** is in credit. However, interest will still be charged in accordance with section 4.

8.4 Payment options

The **customer** may make payments to the **credit card account** in any of the following ways:

- By automatic payment, bill payment or direct debit. Please call Kiwibank to arrange.

- By internet, mobile or phone banking. The **customer** should contact the bank at which the **customer** holds a current (cheque/savings) account for details of this service. The **customer** should allow two **business days** for the **customer's** payment to be credited to the **credit card account**.
- At your local Kiwibank.
- By mailing a cheque to Kiwibank and enclosing a completed payment slip from the bottom of the **customer's monthly statement**. The **customer** should allow time for postage and up to two **business days** for the **customer's** payment to be credited to the **credit card account**.

8.5 Order of application

For the purposes of the calculation of interest and balances, the **customer's** payments are applied to the **outstanding debit balance** of the **credit card account** in the following order:

1. **stated** interest, fees and charges;
2. **stated cash advances** and **balance transfers**;
3. **stated** other debit transactions;
4. **current** interest, fees and charges;
5. **current cash advances** and **balance transfers**; and
6. **current** other debit transactions.

When the **monthly statement** shows an **amount due immediately**, the **customer's** payments will be applied first to this amount, before being applied towards the **minimum payment**.

9. Disclosure

9.1 Monthly statements

Kiwibank will send **monthly statements** to the **customer** at the **customer's** last known address. Generally, **monthly statements** will be in printed form but, at Kiwibank's discretion, and with the **customer's** consent, Kiwibank may provide **monthly statements** to the **customer** in electronic form. The **customer** must check these **monthly statements** and tell Kiwibank within 60 days from the **closing date** of the **monthly statement** if the **customer** thinks that there is an error on that **monthly statement** or there has been an unauthorised use of the **credit card account**. Failure to report an error or unauthorised use within this timeframe will mean that Kiwibank cannot reverse the transaction and that the **customer** will have to pay for it.

10. General

10.1 Amendments

Kiwibank may amend **these terms** by giving **notice** to the **customer** and all **authorised persons** at least 14 days before making a change. However, Kiwibank may change an interest rate or other rate that is subject to market fluctuation by giving **notice** to the **customer** and all **authorised persons** on or before the day Kiwibank makes the change.

10.2 Security

Any money due by the **customer** and/or an **authorised person** in respect of the **credit card account** is secured by any present or future security (for example, any mortgage of land) given by the **customer** and/or an **authorised person** (whether or not in conjunction with any other person) to Kiwibank.

The property that is the subject of that security is more fully described in the relevant security document (for example, the mortgage of land).

11. Meaning of words

11.1 Definitions

In **these terms**, unless the context requires otherwise:

amount due immediately: in respect of any **monthly statement**, the total of any **overdue amounts** as at the **closing date**, or the amount by which the **closing balance** exceeds the **credit limit**, whichever is greater.

ATM: means an automatic teller machine accepting **cards** and displaying the **MasterCard** logo.

authorised person: means the **customer** or any other person authorised to use or access the **credit card account**.

balance transfer: means a payment from the **credit card account** to a different account with Kiwibank or an account with another bank or financial institution.

business day: means any day other than a Saturday, Sunday or public holiday in Wellington.

card: means a credit card issued by Kiwibank to an **authorised person** which is linked to the **credit card account** and including the card information contained on the magnetic strip.

card limit: means the maximum monetary amount of debit transactions permitted on a **card** in any period covered by a **monthly statement** as advised by Kiwibank.

cash advance: means a withdrawal of cash.

closing balance: means in respect of any **monthly statement**, the **outstanding debit balance** as at the **closing date** of that **monthly statement**.

closing date: means in respect of any **monthly statement**, the last day of the period covered by that **monthly statement**.

credit card account: means the **customer's** credit card account on which a **card**, which is linked to the account, may be used.

credit limit: means the maximum **outstanding debit balance** permitted on the **credit card account** at any time as advised by Kiwibank.

current: means since the **closing date** of the **customer's** most recent **monthly statement**.

customer: means a person having a **credit card account** with Kiwibank, and includes:

- (i) each principal of that **credit card account** (as determined by Kiwibank); and
- (ii) any person who guarantees to Kiwibank the obligations of the person having that **credit card account**,

jointly and individually, unless the context requires otherwise.

EFTPOS: means electronic funds transfer at point of sale.

general terms: means Kiwibank's General Terms and Conditions for Business Banking (as changed, updated or replaced).

hold amount: means an amount a merchant may hold to cover expenses incurred by an **authorised person**. If no such expenses are incurred, the **hold amount** will be released at the end of the hold period.

MasterCard: means MasterCard International Inc., the licensor of the right to use the MasterCard brand and, in relation to a **card**, the registered designs and trade marks used on or in connection with it.

minimum payment: means in respect of any **monthly statement**, the minimum amount the **customer** must pay on or before the **payment date**.

monthly statement: means a statement which will be sent on a monthly basis, showing the **opening balance**, all the **credit card account** transactions since the **closing date** of the **customer's** previous monthly statement, and the **closing balance**.

notice: means letting the **customer** and/or **authorised persons** know about something by public notice, press release, notice in Kiwibank's branches or at www.kiwibank.co.nz, mail to the **customer's** and/or **authorised persons'** last known addresses, or otherwise as Kiwibank sees fit.

opening balance: means in respect of any **monthly statement**, the **outstanding debit balance** as at the **opening date** of that **monthly statement**.

opening date: means in respect of any **monthly statement**, the first day of the period covered by that **monthly statement**.

outstanding debit balance: means the total unpaid debit balance of the **credit card account**, including interest and fees.

overdue amount: an amount that the **customer** is required to pay Kiwibank under **these terms** that has not been paid by its due date (but not including an amount due under section 6.1 because an **authorised person** exceeded the **credit limit**).

payment date: means the 25th day following the **closing date** of the **customer's** most recent **monthly statement**.

PIN: means the personal identification number an **authorised person** is required to input before using his or her **card**.

statemented: means included in the **closing balance** of the **customer's** most recent **monthly statement**.

these terms: means the terms and conditions contained in this document (as changed, updated or replaced).

11.2 Interpretation

In **these terms**, unless the context requires otherwise, costs include all costs, losses (including indirect, economic and consequential losses), fees, expenses, claims, actions, suits, judgments, damages, penalties, obligations or liabilities.

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