

kiwi bank It's ours

General terms and conditions

For personal banking – Effective February 2009



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What are these terms about?

1. What are these terms?

These terms

When you use any of our **accounts** or services, **these terms** will apply.

There may also be specific terms and conditions that apply to particular **accounts** or services. Those specific terms and conditions will bind you as well. If there is any conflict between any part of **these terms** and the specific terms and conditions, then the specific terms and conditions will apply. You and we may agree in writing to other terms and conditions and the law may imply terms and conditions.

Throughout **these terms** you will see words that are in bold. These are words with a specific meaning. You can find out the meaning of these words at the back of **these terms**. In addition:

- “You” means the person holding an **account** with us. If there is more than one of you, it means each of you jointly and individually, unless the context requires otherwise. “Your” has a corresponding meaning. Unless the context requires otherwise, you and your includes any other authorised user of your **accounts**, including an additional cardholder.
- “We” or “Kiwibank” means Kiwibank Limited and its successors, assignees and authorised agents. If you hold a unit in the Kiwibank PIE Unit Trust, “we” means Kiwibank Investment Management Limited and its successors, assignees and authorised agents, in relation to your unit. “Our” and “us” have corresponding meanings.

Please familiarise yourself with **these terms** and keep them in a safe place for future reference.

2. When will these terms apply?

Application of these terms

You agree to be bound by **these terms** (and any specific terms and conditions) as soon as you become a customer of ours.

Units in the Kiwibank PIE Unit Trust

If you hold a unit in the Kiwibank PIE Unit Trust, the Kiwibank PIE Unit Trust Deed, the Kiwibank PIE Unit Trust Prospectus, and the Investment Statement that applies to your unit are specific terms and conditions that apply to your unit.

Throughout **these terms**, in relation to your unit, references to “banking” or “deduct from”, “deposit into”, “operate”, “transfer to”, “transfer from”, “use of”, and “withdraw from” your **account** or similar terms mean withdrawing from or adding to (as relevant) the unit value of your unit, unless the context requires otherwise.

3. When can these terms change?

Changing these terms

We may change any of **these terms** (and any specific terms and conditions) by giving you **notice** at least 14 days before we make a change. We can, however, change any interest rate by giving you **notice** before we make a change.

What are the general provisions of these terms?

4. How do you operate your accounts?

Operation

You may operate your **accounts** as set out in **these terms** (and any specific terms and conditions) and in any of our current brochures detailing the features of the accounts and services we offer. You can obtain copies of **these terms** (and any specific terms and conditions other than the Kiwibank PIE Unit Trust Deed or the Kiwibank PIE Unit Trust Prospectus) and our current brochures from any Kiwibank branch.

We can assume that you have authorised each transaction or instruction that is signed or conducted by a person who is authorised to operate your **account**.

We may require that you verify your identity. This may involve asking you a series of questions or requesting that you show us suitable identification.

5. What fees and costs do you have to pay?

Fees and costs

We will charge fees on your **accounts** and for any services we provide. We will deduct those fees from your **account**. A list of our current fees is available at any Kiwibank branch and at www.kiwibank.co.nz. We may change the amount of those fees or impose new fees as long as we give you **notice** at least 14 days before we make a change or impose a fee.

We will deduct from your **account** any government charges or levies that you (or we on your behalf) are required to pay.

We will, if required by law, deduct taxes from any interest credited to your **account**. If you have not given us your IRD number, or clearly informed us of your tax or residency status, we may be required to make these deductions at a higher tax rate.

If we incur any **costs** in relation to your **account** or for any services we provide, then you must pay us the amount of those **costs**. We will deduct any **costs** that we incur from any of your **accounts**.

Tax residency

Different tax obligations and rates apply depending on your tax residency. You must advise us if you are “resident in New Zealand” for New Zealand income tax purposes (and if not, in which country you are tax resident). You must also advise us if your tax residency changes.

For further information on your tax residency, please talk to your taxation adviser, or contact the Inland Revenue Department directly or by visiting www.ird.govt.nz.

6. What interest will you be paid?

Interest on credit balances

Some of our **account** types may entitle you to interest on the credit balance of the **account**. If we have agreed to pay interest on the credit balance of a particular **account**, then interest will be calculated daily on the closing balance of the previous day for that **account** and will be credited to that **account** at the end of each calendar month, unless otherwise advised by us.

For some **accounts** we may require you to retain a minimum balance in one or a combination of **accounts**, make minimum deposits, or make no more than a specified number of withdrawals in any month in order to qualify for interest to be paid on the credit balance of the **account**. In some cases these requirements will need to be met in order to qualify for higher interest rates or additional “bonus” interest payments.

We will inform you of whether interest is paid, and if so what the requirements are, when you open an **account**. You can also ask for this information at any Kiwibank branch. A list of our current interest rates is available from any Kiwibank branch or at www.kiwibank.co.nz.

7. How do you keep track of the balance of your account?

Account statements

We will send you statements for your **accounts** to your last known address at least every six months. Generally, statements will be in printed form but at our discretion, and with your consent, we may provide you statements in electronic form. You must check these statements and tell us as soon as possible if you think that there is an error on your statement or there has been an unauthorised use of your **account**. You should keep statements in a safe place for future reference.

8. How can someone else use your account?

Authorised use by others

Only the authorised users of an **account** are permitted to use the **account**. If you would like someone else to operate your **account**, or have access to it, you must tell us. Acceptance of additional authorised users is at our discretion.

You will be responsible for any additional authorised user and for ensuring that he or she complies with **these terms** (and any specific terms and conditions). You will be liable for the actions of any additional authorised user and for any **costs** that you or we incur as a result of that person having access to your **account**.

9. How will your personal information be held and used?

Privacy

We will comply with all privacy laws and rules of banker's confidentiality that apply to us. You agree that we may collect personal information from you, any credit reporting agency, employer, landlord or referee, or any other person who can provide us with information that is of relevance to us.

We may make enquires about any personal information that you provide to us in order to check the accuracy of the information.

Collecting information

Your personal information is being collected, held and used for the purposes of:

- opening, operating or maintaining your **accounts** with us, providing services to you, or assisting our relationship with you;

- assisting us in developing and running our business; and
- providing you information about accounts and services that we think might be of interest to you (including from our selected business partners). If you ask us not to provide you with this information, we will comply with your request.

Agents

We may appoint agents, and disclose personal information about you to them, for the purpose of providing services to you. These agents will also operate in accordance with **these terms** (and any specific terms and conditions). These agents will include the members of the New Zealand Post Group and their franchisees.

Accuracy of information

We will do everything reasonable to ensure that your personal information is accurate and protected while we have it. You are responsible for telling us of any changes in your personal information, for example changes of name, address or phone number. You may ask us to show you the personal information we hold about you and if necessary make corrections to it.

Releasing information

If we are asked to provide personal information about you to another person, we will only do so in accordance with **these terms** (and any specific terms and conditions), with your prior consent or as required by law.

You consent to us giving your personal information to:

- credit reporting agencies;
- any member of the New Zealand Post Group and their franchisees;
- guarantors of your obligations to us;
- reputable market research organisations for the purpose of conducting market research for us;
- insurers in relation to any money you owe us or any property that you have given us security over;
- our assignees or potential assignees;
- any agent or person we engage to assist us in collecting any money from you;
- anyone that we need to contact in order to carry out your instructions to us (including the recipient of an automatic payment, bill payment or direct debit); or
- anyone that we need to contact in order to assist us in developing or running our business.

We may be required to release your personal information to persons such as law enforcement authorities, the courts or government agencies. We will release your personal information in this situation if we reasonably believe that the person requesting it has the authority to have it, or that we are required by law to release it.

Credit reporting agencies may retain your personal information and provide it to third parties as part of their credit reporting systems.

You agree that should any check with a credit reporting agency reveal adverse information, we are authorised by you, where there are multiple applicants, to inform any applicant of this fact.

Recording phone conversations and use of electronic banking

For security, training and evidentiary reasons, we may record:

- phone conversations you have with us on any matter, either through phone banking or directly with us; and
- your use of **electronic banking**.

10. What else do you need to know?

General legal things

We may determine where a payment that is made to us goes and into what **accounts**. We may determine when and in what order payments are debited from your **accounts**.

We may, at any time and without **notice**, combine some or all of your **accounts** with us. In doing this we can break any term deposit you might have with us or use any amount held in a joint **account** (if you are an individual signatory). If you hold a unit in the Kiwibank PIE Unit Trust, we can redeem your unit or withdraw your unit value and deposit the proceeds into any of your other **accounts**.

We may, at any time and without **notice**, set-off any amount that you owe us against any amount we owe you. You cannot set-off any amount Kiwibank or Kiwibank Investment Management Limited owes you or any of your unit value against any amount you owe either of them. Our rights of set-off under **these terms** (or any specific terms and conditions) are contractual rights affecting the terms on which you hold a credit balance in an **account**. Those rights do not create any security interest for the purposes of the Personal Property Securities Act 1999 in that credit balance, nor do they affect any other right of set-off, combination of accounts, liens or other right to which we are entitled, whether by law or contract.

We may decide not to return any document or item that we hold for you, if you owe us any actual or contingent amount.

Our certificate about any amount, rate or fact relating to your **accounts** will, unless there is an obvious error, be conclusive evidence of that amount, rate or fact.

We may delay using, or not use at all, our rights under **these terms** (or any specific terms and conditions). This will not mean that we cannot use these rights later.

If you are using your **account** for your business, you agree that the Consumer Guarantees Act 1993 does not apply to the **account** or any services that we provide to you. When the Consumer Guarantees Act 1993 applies, any limitations or exclusions of our liability referred to in **these terms** (or any specific terms and conditions) will not affect your rights under that Act.

If at any time part of **these terms** (or any specific terms and conditions) is found to be illegal, invalid or otherwise unenforceable, then this will not affect the legality, validity or enforceability of the rest of **these terms** (or any specific terms and conditions).

You have rights that are given to you by law. If part of **these terms** (or part of any specific terms and conditions) conflicts with any right given to you by law, then **these terms** (or the specific terms and conditions) shall apply to the extent that they amend or negate the rights at law, but only to the extent permitted by law. Otherwise, **these terms** (or the specific terms and conditions) shall be read subject to law.

New Zealand Post Limited, Kiwibank Limited's parent company, has guaranteed Kiwibank Limited's payment obligations, including any payment obligation in respect of any deposit made with Kiwibank Limited. The guarantee does not apply to payment obligations where the terms of the obligation expressly provide in writing that the obligation will not have the benefit of the guarantee. This means that the guarantee does not apply to unsecured, subordinated bonds issued by Kiwibank Limited. The guarantee is not secured and its amount is not limited. The guarantee is unconditional and is terminable by New Zealand Post Limited upon three months' notice to Kiwibank Limited. Any such termination does not affect any existing payment obligations owed under the guarantee at the termination date.

Kiwibank Limited, Kiwibank Investment Management Limited's parent company, has guaranteed the payment obligations of Kiwibank Investment Management Limited and any amounts owing to investors under the Kiwibank PIE Unit Trust Deed in respect of their units and has agreed to pay any shortfall

between the amount investors would receive on redeeming their units or in the winding up of the Kiwibank PIE Unit Trust and the balance of the investors' unit accounts. This requires Kiwibank Limited to ensure that, on redemption or winding up, investors will be paid the amount of their investment in the Kiwibank PIE Unit Trust, including their proportion of interest earned by the Kiwibank PIE Unit Trust. The guarantee is not secured and its amount is not limited. The guarantee is unconditional and is terminable by Kiwibank Limited upon three months' notice to Kiwibank Investment Management Limited and the trustee of the Kiwibank PIE Unit Trust. Any such termination does not affect any existing payment obligations owed under the Kiwibank PIE Unit Trust Deed at the termination date, or Kiwibank Limited's obligation to pay shortfall amounts to investors until they may redeem their units entirely without penalty.

Assignment

You must not assign, mortgage, charge, grant a security interest over or in any way encumber any right or obligation you have under **these terms** (or any specific terms and conditions) or in your **accounts**, except with our prior consent in writing.

We can transfer or assign some or all of our rights and obligations in respect of your **accounts**, or any other relationship you have with us, to one or more other persons. We do not need to give you **notice** of this.

11. What if you have a GST number?

GST number

If you register, or become liable to register, for goods and services tax, then you must advise us immediately and provide us with your goods and services tax registration number.

What are your electronic banking rights and responsibilities?

12. What can you use internet banking for?

Use of internet banking

Internet banking allows you to conduct your banking over the internet using Kiwibank's internet banking site at www.kiwibank.co.nz.

You can use internet banking to, among other things:

- obtain details of **account** balances and available funds;
- obtain details of previous transactions on your **account**;

- transfer funds between **accounts** or from an **account** to another person's account with us or an account with another bank or financial institution;
- set-up, amend, cancel or stop automatic payments;
- set-up, amend, cancel, stop or make bill payments;
- change your **password** for internet banking; and
- register for mobile banking, text banking, mobile top-ups or alerts.

Some internet banking services are not available on all **accounts**.

13. What can you use mobile banking for?

Use of mobile banking

Mobile banking allows you to conduct your banking through an application accessible using your mobile phone.

You can use mobile banking to, among other things:

- obtain details of **account** balances and available funds;
- obtain details of previous transactions on your **account**;
- transfer funds between **accounts** or from an **account** to another person's account with us or an account with another bank or financial institution; and
- make bill payments.

Some mobile banking services are not available on all **accounts** or on all mobile phones.

14. What can you use text banking for?

Use of text banking

Text banking allows you to conduct your banking using text messages from your mobile phone.

You can use text banking to, among other things:

- obtain details of **account** balances and available funds; and
- obtain details of previous transactions on your **account**.

Text banking is not available on all **accounts** or on all mobile phones.

15. What can you use mobile top-ups for?

Use of mobile top-ups

You can use mobile top-ups to top-up or pay certain mobile phone accounts by transferring funds from your **account** to your mobile phone account.

Mobile top-ups are not available on all **accounts** or on all mobile phones.

16. What can you use phone banking for?

Use of phone banking

Phone banking allows you to conduct your banking using a touchtone phone.

You can use phone banking to, among other things:

- obtain details of **account** balances and available funds;
- obtain details of previous transactions on your **account**;
- transfer funds between **accounts**;
- set-up, amend, cancel, stop or skip automatic payments;
- set-up, amend, cancel, stop or make bill payments;
- change your **PIN** for phone banking; and
- talk to one of our Customer Service Representatives (during our Customer Services Centre business hours).

Some phone banking services are not available on all **accounts**.

17. What can you use alerts for?

Use of alerts

Alerts allow you to monitor your **accounts** through email or text.

You can use alerts to, among other things:

- notify you when an **account** falls below a nominated amount;
- notify you when an amount greater than or equal to a nominated amount is deposited into an **account**; and
- notify you of automatic payment and direct debit failures.

Alerts are not available on all **accounts**.

18. What is your PIN and password?

PINs and passwords

When you are issued with your **card**, or register for phone banking, you will be asked to select a **PIN**. When you register for internet banking, mobile banking, or mobile top-ups, you will be asked to select a **password**.

Multiple users

If there is more than one authorised user of the **account**, then each user will have his or her own access number and **PIN** or **password**. **Electronic banking** services may not be available for **accounts** on which more than one signatory is required to authorise a transaction.

19. Can we act on all instructions using your PIN, password or mobile phone?

Authority sufficient

Each time any **electronic banking** service is accessed with an authorised **PIN** or **password**, and each time any text banking service is accessed from a mobile phone registered for text banking, we will act on any instruction given to us or transactions initiated, whether or not you authorised the instruction or transaction. We need not, and will not, make any further enquiries to verify an authorisation, instruction or transaction and can assume that you gave it to us. You may not use **electronic banking** for any purpose other than carrying out lawful banking transactions and enquiries on your **account**.

Transaction limits

We may place daily or other limits on the amount or value of transactions which you may carry out using **electronic banking**.

20. How can you keep your PIN, password, card and mobile phone safe?

PIN, password, card and mobile phone safety

You must:

- memorise your **PIN** and **password**, and not keep any record of them;
- take extra care when keying in your **PIN** or **password** to make sure that no one else can see it;
- sign your **card** as soon as you receive it;
- always remember to take your **card** back after using it;
- only log in to internet banking by using a bookmark or typing www.kiwibank.co.nz into your browser. Never log in to internet banking via a link from an email (including if the email looks like it is from us) or via a link from a website other than www.kiwibank.co.nz;
- change your **PIN** or **password** as soon as you discover a **reportable event**;
- provide us with all available information relating to any **reportable event**; and
- provide us with all necessary assistance to recover any unauthorised amount withdrawn or paid from your **account**.

You should use different **PINs** or **passwords** for different **cards** or different **electronic banking** services. You should consider passwording your mobile phone to prevent unauthorised use.

You must not:

- choose a **PIN** or **password** that would be easy to guess or discover;
- tell anyone else your **PIN** or **password** or KeepSafe answers or give your **card** to anyone or let anyone else use your **card** (including family members, the police or our staff);
- tell anyone else your **PIN** or **password** or KeepSafe answers in response to an email request (including if the email looks like it is from us);
- leave your **card** in an unattended wallet, purse or vehicle or anywhere where another person could remove your **card** without being noticed;
- log in to internet banking from a shared computer, for example, a computer in a library, shop or internet cafe;
- leave your computer unattended while logged in to internet banking; or
- leave your mobile phone unattended while logged in to mobile banking or mobile top-ups.

Cards are not available on all **accounts**.

21. What do I need to know about electronic banking systems and security?

Systems unavailable

Sometimes **electronic banking** systems may not work for a period of time. If this occurs, then you must make alternative arrangements for your banking needs, for example conducting your banking at any Kiwibank branch.

Risks of use

Bad phone or internet connections may make it difficult or impossible for your instructions to be clearly understood or followed. Also, phones or the internet may be monitored by other people and your personal details (including your **PIN** or **password**) recorded without your or our knowledge.

If your computer system causes:

- any damage whatsoever to our computer system; or
- us any loss, including from any virus,

you will be responsible and indemnify us for any **costs** we incur as a result.

Computer security

You must use your best efforts to protect the security of your computer's hardware and software, including:

- ensuring your computer does not have any viruses or form of program or mechanism capable of recording your **PIN** or **password**, or which would allow any person to monitor your computer, your use of internet banking or otherwise obtain your **PIN** or **password**;
- installing anti-virus software on your computer;
- regularly downloading updates to your anti-virus and operating system software; and
- complying with security instructions which we post at www.kiwibank.co.nz.

22. What are your electronic banking responsibilities?

Your responsibilities

You must call our emergency 24 hour phone service, from within New Zealand, on 0800 11 33 55 or, from overseas, on +64 4 473 11 33, or call into any Kiwibank branch, and tell us as soon as you discover any of these **reportable events**:

- the loss or theft of your **card** or mobile phone;
- the unauthorised use of your **card**, **card** details, **electronic banking** or mobile phone;
- the unauthorised use of your **account**; or
- another person knows (or might know) any **PIN**, **password** or **card** details.

If our emergency 24 hour phone service is temporarily unavailable, we will be responsible for any unauthorised transactions made after you attempt to notify us, provided we are notified within a reasonable time after the service is restored.

Your liability

You are liable for all **costs** incurred by you or us if you have breached **these terms** (or any specific terms and conditions) or have acted fraudulently or negligently, either alone or together with any other person.

23. What are our electronic banking rights and responsibilities?

Our rights and responsibilities

We will try to ensure that our **electronic banking** systems operate properly and are secure. You agree that we are not liable to you for any **costs** that you or any other person incur using **electronic banking** systems due to:

- things outside our control;
- access to any **electronic banking** service being restricted or unavailable for a period of time;
- any incomplete or incorrect details that you give us in connection with any **electronic banking** service;
- a payment intended to be made through **electronic banking** systems not occurring or being delayed for any reason;
- unclear instructions caused by bad phone or internet connections; or
- phones or computers being monitored by any person and your personal details being recorded without your or our knowledge.

We may choose not to honour or action, or to delay, any transaction made through **electronic banking** if we reasonably believe that there is not, or may not be, sufficient cleared funds in your **account**.

We will use reasonable endeavours to process each transaction intended to be made through **electronic banking** on the date you request for processing or the first **business day** after that date.

We may change the user requirements, security instructions, application, operating system specifications, format or content of any **electronic banking** service at any time without **notice**.

Our liability

We are liable for all **costs** incurred by us caused by:

- our fraudulent or negligent conduct (or that of others involved in the provision of **electronic banking** to you);
- faults that occur in the machines, **cards** or systems used for **electronic banking**, unless the faults are obvious or advised by message or notice on display;
- unauthorised transactions made before you receive your **card** or select your **PIN** or **password**;
- unauthorised transactions made from your **account** caused by internet banking fraud, unless you have acted fraudulently or negligently;
- unauthorised transactions made after you report to us any **reportable event**, unless you have acted fraudulently or negligently; or
- other unauthorised transactions where it is clear that you could not have contributed to those **costs**.

24. When can we stop a payment?

Stopping payment

We may be able to stop any payment you wish to make through **electronic banking** if you advise us at least three **business days** before the date that the payment is scheduled to be made.

25. When can we suspend or cancel your access?

Suspending or cancelling access

We may suspend or cancel your access to any **electronic banking** service at any time. We do not need to give you **notice** of this. You may suspend or cancel your access to any **electronic banking** service by giving us notice in writing.

How can you use your debit card?

26. What must you do when you receive your debit card?

When you receive your debit card

When you receive your **debit card**, you must sign it immediately, with your usual signature, in the space provided on the back of the **debit card**. You must not use your **debit card** before you have signed it.

When you receive your Visa Debit **debit card**, you must activate it by using it at any **ATM** or through the **EFTPOS** system. You must not use your Visa Debit **debit card** before you have activated it.

27. Who owns your debit card?

Our property

Your **debit card** is our property. Your **debit card** may not be copied or reproduced in any circumstances. You must return your **debit card** to us or destroy your **debit card** if asked to do so by us.

Debit cards are not available on all **accounts**.

28. How can you authorise an additional debit card for your account?

Additional cardholder

If you would like someone else to have access to your **account** with a **debit card**, we can (at our discretion) issue an additional **debit card** to that person. You can apply for an additional **debit card** at any Kiwibank branch. You will be responsible for the additional cardholder's use of that **debit card** and for ensuring that the additional cardholder complies with **these terms** (and any specific terms and conditions).

An additional cardholder is not liable to pay any of the outstanding debt on your **account**. You will be liable for all debts incurred on your **account** by any additional cardholder. You will also be liable for any breach of **these terms** (and any specific terms and conditions) by any additional cardholder or any loss that you or we suffer in connection with any additional **debit card** issued on your **account**.

We will cancel the additional **debit card** if you ask us to do so in writing. The cancellation will happen when the additional cardholder returns that **debit card** to us at any Kiwibank branch, unless we agree to cancel the **debit card** earlier.

29. What if your debit card expires, or is lost or stolen, or damaged or faulty?

Expired debit cards

We will send you a new **debit card** automatically when your current one is about to expire. You must destroy any expired **debit card**. You must not use an expired **debit card**.

Lost or stolen debit cards

You must notify us immediately if your **debit card** has been lost or stolen. This also applies if the details on your **debit card** (such as **debit card** number and expiry date) are or might have been disclosed to an unauthorised party. We will issue you a new **debit card** on request.

Damaged or faulty debit cards

You must notify us immediately if your **debit card** has been damaged or is faulty. You must destroy any damaged or faulty **debit card**. We will issue you a new **debit card** on request.

30. What can you do with your debit card?

Debit card

You can:

- use your **debit card** to withdraw cash and to access the other services available to **debit card** cardholders at any **ATM**;
- use your **debit card** to make purchases and cash withdrawals through the **EFTPOS** system;
- use your Visa Debit **debit card** to withdraw cash at any bank, financial institution or selected merchants displaying the Visa logo; and
- use your Visa Debit **debit card** to purchase goods or services from any merchant accepting Visa transactions. Some merchants (for example, hotels, motels and car rental agencies) may impose a **hold amount**.

31. What are the maximum and minimum transaction amounts?

Maximums and minimums

Different **ATMs** and **EFTPOS** terminals have specific maximum and minimum amounts for withdrawals and purchases. As well, we will set total maximum limits for your transactions in New Zealand and overseas in any day or 24 hour period. Details of our current total maximum limits are available at any Kiwibank branch and at www.kiwibank.co.nz. We will give you **notice** of any changes to our limits.

32. What other restrictions may apply?

Restrictions

Banks and merchants may determine the types of transactions permitted and the transaction limits, and may charge you a fee for using their **ATMs** or **EFTPOS** terminals or other payment services.

33. When are your debit card transactions effective?

No stopping or altering transactions

You authorise us to debit the amount of each **debit card** transaction from your **account**. You cannot stop or alter transactions that you make with your **debit card**. This means that if you give someone your **debit card** details or allow a transaction to be processed before you receive goods or services, and you then do not receive those goods or services or are unhappy with them, you may not be able to reverse the transaction. You should always consider the security and standing of the merchant before you make the transaction.

34. How does your debit card work for foreign currency transactions?

Rate of exchange

When you use your **debit card** for foreign currency transactions, your transactions will be charged to your **account** in New Zealand dollars at a rate of exchange determined by MasterCard (in respect of the **ATM/EFTPOS debit card**) or Visa (in respect of the **Visa Debit debit card**) on the date it sends the transaction details to us.

35. What other terms apply?

Other debit card terms

Other terms for use of your **debit card** are set out in sections 12-25.

How can you use automatic payments, bill payments and direct debits?

36. What is an automatic payment?

Automatic payments

An automatic payment is a regular payment made from your **account** to another person or account.

Unless the context requires otherwise, when referring to automatic payments in **these terms** (or any specific terms and conditions) we include our other automated payment and transfer systems. These include our PayStream, Sweep and Dynamic Sweep services.

Automatic payments are not available on all **accounts**.

37. What is a bill payment?

Bill payments

A bill payment is a payment made from your **account**, using internet, mobile or phone banking, to a person to whom you want to pay bills or make other regular payments.

Bill payments are not available on all **accounts**.

38. What is a direct debit?

Direct debits

A direct debit is an arrangement you make with a person to take amounts of money from your **account** at different times on an ongoing basis. If the payments are not at regular intervals and for fixed amounts, the person receiving the payment must write to you and tell you the amounts and times that money will be debited from your **account**.

Direct debits are not available on all **accounts**.

39. How do you set-up automatic payments?

Setting up automatic payments

You can set-up automatic payments by filling out an automatic payment form (available from any Kiwibank branch or at www.kiwibank.co.nz) and sending or delivering it to us at any Kiwibank branch. You can also set-up automatic payments through internet banking. Some automatic payments can also be set-up over the phone.

You must give us three **business days'** notice to set-up an automatic payment. If you do not give us three **business days'** notice, we will use reasonable endeavours to set-up the automatic payment to process each transaction as intended or as soon as possible thereafter.

40. How do you set-up bill payments?

Setting up bill payments

You can set-up bill payments by filling out a bill payment form (available from any Kiwibank branch) and sending or delivering it to us at any Kiwibank branch. For some billers you can also set-up bill payments through internet and phone banking.

You must give us three **business days'** notice to set-up a bill payment. If you do not give us three **business days'** notice, we will use reasonable endeavours to set-up the bill payment to process the payment as intended or as soon as possible thereafter.

41. How do you set-up a direct debit?

Setting up direct debits

You can arrange for direct debits to be made on your **account** by filling out a direct debit form (generally provided by the person to whom direct debit payments will be made) and returning it to that person.

42. What are your automatic payment, bill payment and direct debit rights and responsibilities?

Automatic payment, bill payment and direct debit responsibilities

You authorise us to debit from your nominated **account** the amounts you tell us and to pay those amounts to the persons you tell us under an automatic payment, bill payment or direct debit. We may defer payments when they fall on a non-**business day**.

You must keep the person you are paying by any direct debit informed of any changes to your **account** number or details.

You may ask us to amend or cancel any automatic payment, bill payment or direct debit authority. You must give us three **business days'** notice of any amendment or cancellation. You will need to inform the other party that the automatic payment, bill payment or direct debit is to be amended or cancelled. We will not inform them for you.

Automatic payment, bill payment and direct debit authorities will remain in force in respect of all payments made in good faith, even in the event of your death, **dissolution**, bankruptcy, mental incapacity, or any other circumstances that may revoke our authority, until notice in writing of the relevant fact or revocation is received by us.

43. What other terms apply?

Other terms

Other terms for automatic payments, bill payments and direct debits are set out in sections 12-25.

When can you instruct us by phone, fax or email?

44. When can you instruct us by phone?

Phone instructions

We may accept, at our discretion, instructions about your **account** by phone (other than through phone banking).

We can refuse to act on any phone instructions in whole or in part for any reason. We can delay acting on any phone instructions in whole or in part until we get confirmation of the instructions by other means.

You can cancel your use of phone instructions by asking us at any time. We may cancel your use of phone instructions at any time without **notice**.

45. When can you instruct us by fax or email?

Fax and email instructions

We may accept, at our discretion, instructions about your **account** by fax or email (other than through internet banking).

Each instruction you send us should:

- for a fax instruction, be signed by you;
- for an email instruction, be from your specified email address;
- state your name;
- be received by us in a clearly readable form; and
- make your intentions clear.

We can refuse to act on any fax or email instructions in whole or in part for any reason. We can delay acting on any fax or email instructions in whole or in part until we get confirmation of the instructions by other means.

You can cancel your use of fax or email instructions by asking us at any time. We may cancel your use of fax or email instructions at any time without **notice**.

46. What indemnity do you give us?

Your indemnity

You indemnify us against any **costs** we incur from acting on phone, fax or email instructions for your **account**, whether or not you have actually authorised them, or from not acting or delaying acting on phone, fax or email instructions for your **account**.

How can you use cheques?

47. How do you write a cheque?

Writing a cheque

Instructions for writing a cheque are set out in your cheque book.

Cheques are not available on all **accounts**.

48. How can you keep your cheques safe?

Cheque safety

You must not sign any blank cheques or leave any details blank after a cheque has been signed and you must keep your cheque book in a safe place.

49. How do you stop a cheque?

Stopping a cheque

If you wish to stop payment being made on any cheque that you have signed, you must inform us as soon as possible. We will take reasonable steps to try and stop payment on the cheque.

If we cannot stop payment on the cheque, then you will still be responsible for payment of the cheque. If we stop payment on the cheque, you may still be responsible for paying money to the person named as payee on the cheque.

50. When can we refuse to pay a cheque?

Dishonouring cheques

We can refuse to honour (i.e. pay out on) any cheque, including if:

- the cheque is not in a form that is commonly accepted by New Zealand registered banks in their ordinary course of business (unless we expressly agree otherwise with you in relation to a particular form of cheque);
- the cheque has not been correctly completed or signed;
- we cannot tell what your clear intention was in writing the cheque;
- we reasonably believe that there is not, or may not be, sufficient cleared funds in your **account** and your **overdraft limit** (if any) for that **account** is not sufficient to cover the cheque (even if another **account** has sufficient credit to cover the amount of the cheque);
- the cheque is dated more than six months before it is presented;

- we have received notice in writing of your death, **dissolution**, bankruptcy or mental incapacity; or
- we are required to do so by law.

We may choose to honour a cheque even if it puts your **account** into **unauthorised overdraft**.

If we choose not to honour a cheque, you may still be responsible for making the payment intended to be made by the dishonoured cheque.

51. When can we refuse to collect a cheque?

Collecting cheques

We can refuse to collect any cheque, or present any cheque to the **payer's bank** for payment (in which case we will return the cheque to you), including if:

- the cheque is not in a form that is commonly accepted by New Zealand registered banks in their ordinary course of business (unless we expressly agree otherwise with you in relation to a particular form of cheque);
- we cannot tell what the payer's clear intention was in writing the cheque;
- the cheque has not been correctly completed or signed;
- the cheque is dated more than six months before it is presented; or
- we are required to do so by law.

52. What is a post-dated cheque?

Post-dated cheques

A post-dated cheque is a cheque that is dated in the future. If you bank a post-dated cheque, the **payer's bank** does not have to pay, and we do not have to "clear" (i.e. pay to you), that cheque until that future date. If you write a post-dated cheque, we may pay that cheque before the date of the cheque. If we decide not to pay a post-dated cheque, we will return the cheque to the bank or person that delivered the cheque to us for payment.

53. How long does it take to clear a cheque?

Clearing cheques

It generally takes up to three **business days** to clear a cheque but sometimes it can take longer. Any cheque or draft in foreign currency may take up to six weeks (or in some cases longer) to clear.

Generally, you will not have access to the proceeds of a cheque until it has been “cleared”. It will be cleared when we have received from the **payer’s bank** the amount credited to your **account**.

We may be able to speed this process up for domestic cheques if you ask for a “special answer” (i.e. priority service).

We may agree to give you access to the proceeds of any uncleared cheque, but if that cheque is later dishonoured by the **payer’s bank**, then you must pay us for any **costs** we may incur, including the amount of proceeds drawn against the uncleared cheque.

All of your Kiwibank cheques are drawn on Kiwibank Limited at our registered office at Level 6, 155 The Terrace, Wellington.

54. When do you pay cheque duty?

Cheque duty

By law, you are required to pay cheque duty on each cheque that you write. We have made arrangements with the Inland Revenue Department for your cheque duty to be prepaid by us on your behalf.

When you order your cheque book or we send a new cheque book to you, we will debit your **account** with the cheque duty payable by you on all the cheques in that cheque book.

55. What if you want to deposit an amount of foreign currency?

Foreign currency deposits

If you deposit into your **account** any cheque, draft or traveller’s cheque in a foreign currency, then we will convert that foreign currency into New Zealand dollars. We will generally not allow you to draw against this amount until the cheque, draft or traveller’s cheque has cleared.

However, sometimes we may agree to allow you to draw against the amount of an uncleared foreign currency cheque, draft or traveller’s cheque.

Whether or not we have allowed you to draw against that cheque, draft or traveller’s cheque, if it is later dishonoured or not paid for any reason, then we will debit your **account** with the amount of that foreign currency in New Zealand dollars at our prevailing “spot rate” of exchange for that foreign currency on the date that the cheque, draft or traveller’s cheque is dishonoured, along with any **costs** we may incur.

You cannot deposit any foreign cash into your **account**, but you can convert that foreign cash into New Zealand dollars at certain Kiwibank branches and then deposit it into your **account**.

56. What is a bank cheque?

Bank cheques

A bank cheque is a cheque which is to be paid by us, rather than from your **account**.

57. When can we refuse payment on a bank cheque?

Refusing payment

There are some limited circumstances in which we may refuse payment on bank cheques that have been issued to customers. In general terms, these are when:

- the bank cheque is fraudulent, forged or counterfeit, or has been altered since its issue;
- the bank cheque has been reported lost or stolen;
- we did not get full payment for the bank cheque from you and you present the bank cheque for payment;
- we did not get full payment for the bank cheque from you and the bank cheque is presented to us by a person who obtained the cheque by fraud, or knew that it was originally obtained by fraud or without full payment by you; or
- we are required to do so by law.

58. Can you stop payment on a bank cheque?

Stopping payment

Once you have paid for, and we have issued you with, a bank cheque, we are not under any obligation to stop (i.e. not to pay) that bank cheque, unless it has been reported lost, stolen or returned to us by you.

How can we close an account?

59. How can an account be closed?

Closing accounts

If you do not have a cheque book and you do not owe us any money, then we will close your **account** promptly after you ask us to.

If you have a cheque book, we will generally not close your **account**, even if you ask us to, unless we have made arrangements with you for how to deal with any unpresented cheques. If we do agree to close your **account**, then you agree that we can dishonour any cheques that are presented after the **account** is closed.

We can close your **account** at any time by giving you **notice** at least 14 days before we close the **account**. However, we do not have to give you **notice** if:

- we are complying with a court order;
- you have acted unlawfully;
- you have breached **these terms** (or any specific terms and conditions); or
- you have acted abusively to our staff.

If you owe us any money, then we may require you to repay all the money that you owe to us before we will close any **account**.

Closing your **account** will not relieve you of any liability you have to us, including any liability to pay us any negative balance of an **account**.

60. How can an account be suspended?

Suspending accounts

We may suspend the operation of your **account** if:

- you have breached **these terms** (or any specific terms and conditions);
- we are notified of a dispute over either the ownership of money or the operation of the **account**;
- we are obliged to do so to protect you, us or any other person who has reasonably claimed an interest in the **account**;
- the **account** is not being operated in a satisfactory manner; or
- we are required to do so by law.

61. What happens on your dissolution or if you become bankrupt?

Dissolution and Bankruptcy

You must inform us as soon as you become aware of your **dissolution** or if you commit an act of bankruptcy, or if a court makes you bankrupt.

If we become aware of your **dissolution** or that you have committed an act of bankruptcy or are bankrupt, we may stop all transactions on your **account**. We may be required to inform the Official Assignee or a liquidator (as the case may be) of the existence of your **account** and wait for instructions as to what to do with any proceeds of your **account**.

62. What if you die?

Death

If you die while still holding an **account**, then we may cease the operation of your **account**.

Subject to the Administration Act 1969, we may, at our discretion, honour cheques written before your death. We may also allow some money to be released to certain persons before all your affairs are settled.

Administrators and executors

If you are an administrator or executor, you must sign an authority form before you are able to operate the **account** of the person on whose behalf you are acting, and show us evidence of your authority. Whether you can act individually, or must act jointly, will depend on the terms of your appointment. If more than one administrator or executor is authorised to operate the **account** of the deceased person, you will be jointly and individually liable for all **costs** or money owing to us that are incurred after you have signed the authority form.

If we agree to lend you any money, then you will be personally liable to repay that money to us.

You warrant that by giving any security over the property of the estate for any **costs** or money owing to us, you are not in breach of trust or any other obligation.

What if you go into overdraft or breach these terms?

63. What is an authorised overdraft?

Authorised overdrafts

If you have an approved **overdraft limit**, your overdraft is subject to our specific terms and conditions that apply to overdrafts. Where we reasonably believe a cheque or request to withdraw money would cause you to exceed your **overdraft limit**, we may honour or decline to honour that cheque or request.

64. What is an unauthorised overdraft?

Unauthorised overdrafts

If you do not have an approved **overdraft limit**:

- we may decline to honour any cheques or requests to withdraw money if there are not enough funds in your **account**; or
- we may decide to honour a cheque or request to withdraw money that puts your **account** into overdraft. This is called an “**unauthorised overdraft**”.

65. What interest will I have to pay?

Interest

We will charge you interest on the **unauthorised overdraft** at our prevailing unauthorised overdraft rate. You can find our prevailing unauthorised overdraft rate at any time by asking at any Kiwibank branch or at www.kiwibank.co.nz. We will calculate this interest on a daily basis from the date your **account** becomes overdrawn until the date you repay enough money to bring your **account** into credit.

You authorise us to debit the amount of any such interest due but unpaid from any of your **accounts** on the last day of each calendar month or at such other times as we decide. Where this interest is debited from your **account** that is in **unauthorised overdraft**, we will charge interest on the new balance of that **account** until you have fully repaid to us the amount of the **unauthorised overdraft**.

66. How can we require you to repay your unauthorised overdraft?

Repayment

We can at any time for any reason require you to immediately repay on demand:

- all of your **unauthorised overdraft**;
 - all **costs** that we may incur in recovering the amounts that you owe to us; and
 - all outstanding fees and interest on your **unauthorised overdraft**,
- by giving you **notice**.

67. What if you breach these terms?

Breach

If, in our opinion, you breach **these terms** (or any specific terms and conditions), we may:

- require that you fix the breach;
- close or suspend one or more of your **accounts** or such other services provided by us;
- require the return to us of all unused cheques and any **card(s)** you may have;
- suspend or cancel your use of any **electronic banking** service, phone, fax or email instructions, cheques or any other method of accessing your **account**;
- require you to repay any amount owing to us, whether or not it would otherwise be repayable on demand;
- list you as a defaulter with any credit reporting agency;
- place any debt you owe us with any debt collection agency; and
- exercise any of our rights under any contract between you and us or at law.

You must notify us immediately of a breach of **these terms** (or any specific terms and conditions) or any change affecting your relationship with us.

68. How are we further protected?

Indemnity

Except to the extent **these terms** (or any specific terms and conditions) or the law otherwise require, you agree to fully indemnify us and keep us fully indemnified for all **costs** in respect of your breach of **these terms** (or any specific terms and conditions).

What if you are an organisation?

69. What if you are a partner of a partnership?

Partnership

If you are a partner in a partnership, then you must promptly deliver to us notice in writing of the appointment, proposed appointment, or retirement of any partner of that partnership.

Each partner acknowledges that:

- **these terms** (and any specific terms and conditions) will continue to bind you despite any changes which may take place in the partners (including by death, incapacity, retirement or admission of any partner) or the fact that the partnership no longer carries on business; and
- as well as your joint liability as a partner, you are individually liable for all obligations of the partnership so that we may have recourse to your personal assets on the same basis as any other personal creditor.

70. What if you are a trustee of a trust?

Trustee

If you are a trustee of a trust, then you must promptly deliver to us notice in writing of the appointment, proposed appointment, or retirement of any trustee of that trust.

We may agree in writing that a trustee is a limited liability trustee and that the limited liability trustee's liability to us under **these terms** (or any specific terms and conditions) is limited to the assets of that trust. However, where we incur any **costs** as a result of a breach of trust by the limited liability trustee due to negligence, wilful default or dishonesty, this limitation of liability will not apply to the limited liability trustee and the limited liability trustee will be personally liable to us to the extent that the trust's assets do not satisfy all of the trust's obligations to us.

71. What if you are a body corporate?

Body corporate

If you are a body corporate for the purposes of the Unit Titles Act 1972, the liability of each registered proprietor to us is joint and individual.

72. What if you are an unincorporated society?

Unincorporated society

If you are an unincorporated society, the liability of each member to us is joint and individual.

What if your account is a joint account?

73. What if your account is a joint account?

Joint account holder

A joint **account** is an **account** where two or more persons each agree that the **account** may be operated by the joint holders acting together or individually (as advised to us). You agree that we can deposit a cheque made out to any of the joint **account** holders into a joint **account**.

Your liability

Each joint **account** holder is jointly and individually liable for the operation of the joint **account** and for any money owing to us in respect of the joint **account**, even if you later end up in a dispute.

Suspending a joint account

We may suspend a joint **account** (either in whole or in part) at any time if:

- any of the joint **account** holders asks; or
- one party to a joint **account** asks to withdraw from the joint **account**.

However, the joint liability for any outstanding debt will continue until repayment is made by any of the parties to the joint **account** or someone else.

Disputes

You should advise us immediately if any disagreement occurs between you as joint **account** holders. If a disagreement occurs, then we may suspend the joint **account** from being operated either in whole or in part. You should each seek independent legal advice if you are in disagreement. If we suspend the joint **account**, we may decline to allow the joint **account** to be operated fully again until we have received authority in writing from all the joint **account** holders to continue operation of the joint **account**.

Death of one holder

If any of you should die, then the remaining joint **account** holders may continue to operate the joint **account** and will be the owners of any credit balance in that **account**. If you owe us money when you die, then neither your liability nor the liability of the other joint **account** holders will stop on your death, but we will be deemed to have opened a new **account** with the surviving joint **account** holders.

Dissolution or bankruptcy of one holder

Upon any action being taken for the **dissolution** or bankruptcy of any of you, then the remaining joint **account** holders must notify us immediately and we may suspend the operation of the joint **account**.

What if you are an attorney?

74. What if you are an attorney?

Attorneys

If you are an attorney, you must sign an authority form before you are able to operate the **account** of any person on whose behalf you are acting, and show us evidence of your authority. Whether you can act individually, or must act jointly, will depend on the terms of your appointment.

What do the words in bold mean?

account or **accounts**: each account that you open with us or, if you invest in the Kiwibank PIE Unit Trust, each unit that you hold in the Kiwibank PIE Unit Trust or, if the context requires, one of those accounts or units.

ATM: automatic teller machine accepting **cards**.

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

card: a card issued by us which is linked to an **account** and including the card information contained on the magnetic strip.

costs: all costs, losses (including indirect, economic and consequential losses), fees, expenses, claims, actions, suits, judgments, damages, interest, penalties, obligations or liabilities incurred in connection with the protection, enforcement or clarification of our rights in respect of your **account** or any services we offer or under **these terms** (or any specific terms and conditions) or any contract between you and us, including legal costs on a solicitor client basis and any receiver's costs and expenses.

debit card: a ATM/EFTPOS **card** or Visa Debit **card**.

dissolution: means winding-up, liquidation, statutory management, administration, removal from the register or re-organisation of that person or an equivalent procedure under the law of any relevant jurisdiction.

EFTPOS: electronic funds transfer at point of sale.

electronic banking: banking services that we provide in an electronic form, including internet banking, mobile banking, text banking, mobile top-ups, phone banking, alerts, banking through **ATMs** or **EFTPOS** terminals, automatic payments, bill payments and direct debits.

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

notice: letting you know about something by public notice, press release, notice in Kiwibank's branches or notice at www.kiwibank.co.nz, mail to your last known address, or otherwise as we see fit.

overdraft limit: the maximum total unpaid debit balance permitted on your overdraft **account** at any time as advised by us.

password: the personal letter and number combination you are required to input before accessing certain **electronic banking** services.

payer's bank: in relation to any cheque, the bank upon which that cheque is drawn.

PIN: the personal identification number combination you are required to input before using your **card** or accessing certain **electronic banking** services.

reportable event: any of the events specified in the "Your responsibilities" part of section 22.

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

unauthorised overdraft: an overdraft referred to in section 64.

kiwibank It's ours

You can contact us:

From within New Zealand on

 **0800 11 33 55**

From overseas on

 **+64 4 473 1133**

On service@kiwibank.co.nz

Customer services:

Monday to Friday 7am-9pm

Saturday and Sunday 8am-6pm

Emergency services:

24 hours, 7 days a week

Internet, mobile, TXT and phone banking, mobile top-ups and alerts:

24 hours, 7 days a week

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