



Te Uniana Whakanama Pirihiimana

POLICE HELPING POLICE

Fair Conduct Programme Summary

for Police and Families Credit Union Incorporated (PCU)

May 2025

Introduction to PCU and its Fair Conduct Programme

About PCU and how we support members

Police and Families Credit Union Incorporated (PCU) was established in 1974 and first registered on 11 February that year. PCU is a financial co-operative registered as a Credit Union, Incorporated, registered as a financial service provider, and licensed as a Non-Bank Deposit Taker.

PCU provides banking services and operates for the mutual benefit and assistance of its members. Its mission is to enable the financial wellbeing of its members.

More information can be found in PCU's [Product Disclosure Statement](#).

What is a Fair Conduct Programme?

The Conduct of Financial Institutions Act (CoFI) amends the Financial Markets Conduct Act 2013 to ensure financial institutions treat consumers fairly. Financial institutions are required to apply for a licence under CoFI legislation and as part of this regime must develop and make publicly available a Fair Conduct Programme (FCP). PCU has been operating under its Financial Institution licence since April 2025.

An FCP helps a financial institution abide by the fair conduct principle, and details the policies, processes, systems, and controls used to mitigate the risk of unfair conduct, or unfair outcomes for consumers as it provides products and services.

Our FCP reflects our ongoing commitment to serving our members and striving to always live up to the expectations and trust placed in us.

Member groups

Members deposit funds and/or borrow money from PCU, so our FCP outlines what members can expect when engaging with PCU as a depositor or borrower.

Members may also require extra care due to a state of permanent or temporary vulnerability. While these members can expect the same fair conduct and fair outcomes as other members, they can also expect PCU to do more to ensure they are not disadvantaged in their interactions with PCU or in the use of their products and services due to any known vulnerability.

Fair Conduct Principle

PCU abides by the fair conduct principle established in CoFI legislation, which means we strive to always treat our members fairly. PCU will:

- pay due regard to members' interests;
- act ethically, transparently, and in good faith;
- assist members to make informed decisions;
- ensure products and services are likely to meet the requirements and objectives of members (when viewed as a group or segmented groups); and
- not subject members to unfair pressure, tactics, or undue influence.

As a result of PCU's fair conduct, members should expect fair outcomes as they use PCU's services and products. Members can expect products and services to:

- be fit for purpose, meeting the needs they were designed for;
- be easily and well understood by the group of members they were designed for;
- operate consistently in keeping with advertising and disclosures provided;
- not disadvantage members relative to the expectation they have in using the product based on advertising and disclosures provided; and
- be useful and provide the intended benefit over the lifecycle of the product.

Fair outcomes for members

The following table summarises the **fair outcomes** each group of members should expect. This FCP is designed to mitigate the risk of these outcomes not occurring.

Member group	Product / Service Use	Fair outcome expectations
<i>All members (depositors & borrowers)</i>	Design of product or service	PCU's products and services should be well designed with features and benefits that are fit-for-purpose for the members using them, catering for needs they'd typically have at different stages of life.
	Choosing a product	Members have the information they need to choose the right product via website, advertising, any promotional material or communications, and appropriate disclosure documents. Key disclosures are easily found and understood, and members are confident the product or service will meet their needs.
<i>Depositors</i>	Interest and fees	Members receive the interest payment they are entitled to, at the appropriate frequency.
	Term deposit maturity	When a term deposit matures, the members' savings are reinvested at an agreed and appropriate rate and term, and members' interest is paid or capitalised as agreed.
	Ancillary benefits	Members receive ancillary or non-financial benefits (like Xmas club vouchers or prize draw eligibility) as they expect and are entitled to.
	Payment facilities	Payment facilities (e.g. Mastercard Debit Card or online banking payments) are available and dependable to make purchases or payments as members need to.
	Secure services	Members' accounts, cards, and online facilities are secure, reducing the risk of fraud.
	Withdrawing funds and breaking term deposits	Members are not unduly penalised when needs change requiring withdrawal of funds. Penalties are in keeping with disclosure documents and not hidden in fine print.
<i>Borrowers</i>	Applying for a loan	Lending decision for loan application is in keeping with Credit Policy, CCCFA and Responsible Lending Code and accurately considers pertinent information.
	Advancing a loan	Loan disbursement occurs and the loan amount appropriately reflects the details agreed by both parties.
	Product fit	Members choose the product that best meets their lending needs, they understand it and know what to expect.

Member group	Product / Service Use	Fair outcome expectations
	Interest rate and security options	Members understand the implications of the interest rate and security settings for their personal loan. Members understand the interest rate that applies to their home loan or reverse equity loan and, if rates change between quoting and a fixed term starting, they understand when a different rate may apply, and the correct rate is applied to their loan.
	Repayments	The loan start date, repayment amounts, and repayment schedule are right first time and properly aligned to member expectations. Members understand their rights to adjust repayments on home loans and are not unduly penalised for doing so.
	Access to better rates	Member receives best applicable interest rate for the home loan products held, considering repayments made over time and changing LVR position.
	Costs associated with breaking fixed rates or reducing shared equity	Members can advance their financial position without incurring unnecessary or unfair costs (e.g. can appropriately reduce shared equity position on First Home Loan Together product or break a fixed rate term with fair and well understood costs).
	Ongoing access to credit	Regular redraw or top-up behaviour does not place member in substantial hardship.
	Full repayment and Security Discharge	Member funds are allocated appropriately to loan balances and excess funds to the appropriate account. Security used on the loan is discharged appropriately in accordance with credit contract. When PSS funds are paid out to the member, PCU loans with PSS security are paid down correctly, as expected and understood by the member.
<i>Extra Care</i>	Applies to all categories listed for Depositors and Borrowers	When vulnerability is notified by a member or recognised by PCU staff, extra care is taken to ensure the member understands – with appropriate time to absorb information provided – products available to meet their needs, key disclosures, implications of security taken, their obligations, and how their product works and meets their needs over time.

Complaint resolution

We appreciate it when members give us feedback, and we are grateful for the opportunity to resolve member dissatisfaction or complaints. PCU's [complaint process](#) is publicly available and includes information about our free independent dispute resolution service through Financial Services Complaints Limited.

When unfair conduct or unfair member outcomes are identified

We value the trust placed in us by members, so unfair outcomes will be remedied appropriately. These may be notified to us via the complaint process, discovered by us in the day-to-day operation of our business, or discovered through our FCP.

Where unfair conduct by PCU has resulted in a member receiving material financial disadvantage, PCU will assess whether financial remediation is appropriate. PCU will always meet its legal and contractual obligations to members and will urgently remedy this when breaches are discovered.

Table of Acronyms and Terms

Acronym / Term	Description
AML/CFT	Anti-Money Laundering and Countering Financing of Terrorism Act
Ansarada	PCU's Risk Management Platform
AplyID	PCU's supplier of online identification process
BOSS	PCU's lending application system
CCCFA	Credit Contracts and Consumer Finance Act
Change Financial	PCU's supplier of card services
CoFI	Conduct of Financial Institutions Act
CRM	Customer Relationship Management platform
DocuSign	PCU's supplier of secure electronic signing services
FCP	Fair Conduct Programme
FHT	First Home Together (PCU's shared equity home loan product).
Financial Services Complaints Limited	PCU's supplier of independent dispute resolution services.
Finzsoft	PCU's supplier of banking platform including BOSS and G3
FMCA	Financial Markets Conduct Act
G3	PCU's banking services platform
IT	Information Technology
Layer3	PCU's external provider of IT support
LVR	Loan to Value Ratio
Mercer	Manager of the Police Superannuation Scheme
PCU	Police Credit Union or Police and Families Credit Union Incorporated
PPSR	Personal Property Security Register
PSS	Police Superannuation Scheme
Westpac	PCU's supplier of payment services