

Financial Hardship Policy

Contents

- 1.0 Introduction
- 2.0 What is Financial Hardship?
- 3.0 Capacity to Pay
- 4.0 Credit Approach
- 5.0 Staff Training

1.0 Introduction

This policy has been developed to outline the minimum standards Gazal Telecom will adopt in relation to dealing with residential customers who do not have the capacity to pay a bill due to financial hardship.

2.0 What is Financial Hardship?

For the purposes of this policy, residential customers who are experiencing “financial hardship” are defined as those residential customers that are unable to pay an outstanding bill without affecting the customer’s ability to meet basic living needs (such as rent and food) due to prolonged disadvantage.

The prolonged disadvantage may include:

- Loss of employment of the customer or family member
- Family breakdown
- Illness, including physical incapacity, hospitalisation, or mental illness of the customer or family member
- Death in the family
- Unexpected or increased financial commitments due to the above or other circumstances

Financial hardship involves an inability of the customer to pay, rather than any unwillingness to pay. In order for a customer to be considered as under financial hardship the customer must first acknowledge that the debt is their responsibility and that they express willingness within their capacity to pay the outstanding amount

3.0 Capacity to Pay

In determining the customer’s capacity to pay, Gazal Telecom may take into consideration a number of factors including:

- The customer’s total disposable income and current financial commitments.
- Specific present financial commitments including existing debt.
- The number of children and / or dependants.
- Previous financial history with Gazal Telecom.
- Advice given by an independent financial counsellor or relevant consumer representative organisation.

The customer is expected to provide reasonable proof.

4.0 Credit Approach

All residential and or Business customers who believe they are suffering financial hardship need to be referred to the Gazal Telecom Credit Department for assessment.

The Credit Department will assess each customer on a case by case basis to determine whether the customer is suffering financial hardship and if so, what their capacity to pay is. This will be determined in light of the factors noted above and any other relevant information.

Once a customer is determined to be suffering financial hardship and their capacity to pay assessed, the Credit Department will attempt to agree with the customer:

- methods by which future charges can be managed within the customer's capacity to pay. This may include outbound call suspension / barring.
- an instalment plan that is sufficient to recover both the amount in arrears, and to enable the customer to meet future charges.

Legal or mercantile action, suspension or barring of services (outside of those agreed to be suspended / barred as part of the capping of future charges), disconnection of services and additional debt recovery costs will not be instituted against customers who have an agreed payment plan which they continue to adhere to.

Gazal Telecom will reasonably consider a request for an amendment of the methods by which future charges can be capped, or an amendment to the initial instalment plan, if there is a change in circumstances. These need to be communicated to the Gazal Telecom Credit Department for review and assessment.

If a customer fails to make scheduled payments, is unable to agree to a new payment plan, or fails to contact Gazal Telecom, service suspension or disconnection and debt recovery costs may be instituted against the customer

Gazal Telecom will advise a customer of independent financial and other relevant counselling services available to them in their area when a payment arrangement or agreement cannot be agreed on.

5.0 Staff Training

Gazal Telecom will ensure its Credit Department are trained to deal with residential and or Business customers experiencing financial hardship