

# Financial Services and Credit Guide Part 1

1 January 2020  
Version 18

**Paragem**

# A guide to our relationship with you and others

This Financial Services and Credit Guide (“Guide”) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial or credit service.

This Guide contains important information about:

- who we are;
- how we can be contacted;
- what services we are authorised to provide to you;
- how we (and any other relevant parties) are remunerated;
- details of any potential conflicts of interest; and
- details of our internal and external complaint procedures, along with how you can access them.
- Privacy (i.e. collection and handling of your personal information)

It is designed to assist you in deciding whether or not to use any of the services offered in the Guide and also contains information about remuneration paid in relation to the services offered together with information on what to do if you have a complaint about our services.

Our aim is to make you feel totally at ease with the services we offer. In doing so we are providing you with this easy-to-understand Guide, designed to help you understand the financial and credit services we are able to provide and also to answer frequently asked questions. If you would like more information or clarification, please don't hesitate to contact your adviser.

The financial and credit services that you receive from Paragem are provided by our Authorised Representatives (advisers). Information about your adviser, including the services that can be provided, the costs to you for those services and the representative's remuneration, is included in **Part 2** of the Guide.

**This document is Part 1 of our Guide and should be read in conjunction with 'Part 2 – Authorised Representative Profile', which will be given to you with this Guide. The two parts make up the Guide and the distribution of them has been approved by Paragem Pty Ltd ('Paragem').**

If we give you personal financial advice we will provide you with a Statement of Advice. To make sure that advice is appropriate to you we must make reasonable enquiries about your current financial situation and future needs.

In the Statement of Advice we will tell you about:

- our fees and commissions
- any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

If we provide further personal advice to you after we have issued an initial Statement of Advice and your circumstances have not significantly changed, we may provide the advice to you orally. We will also tell you about any fees or commissions and any associations with Financial Product Issuers or others who may have influenced that advice. We will record these details in a Record of Advice and keep this for seven years after providing the advice to you and you can request a copy of that Record from your adviser.

If we recommend to you a particular Financial Product we will give you information about the particular Financial Product – a Product Disclosure Statement – to help you make an informed decision about the Financial Product.

If credit services are to be provided, we and our representatives must provide you with credit assistance that is not unsuitable for your financial situations and objectives. To do this a preliminary assessment must be conducted. For our representative to conduct this assessment they must collect information about your financial situation and the objectives you have for seeking credit. If you do not provide the requested information we may not be able to provide any credit assistance to you.

You can request a copy of the preliminary assessment conducted by our representative within 7 years of the date that the written quote was provided to you for credit assistance. If you make the request within 2 years of the written quotation we will provide the copy of the assessment within 7 business days. If the request is made after 2 years but before the end of 7 years we will provide the copy within 21 business days. If you make the request after 7 years have past we are not obligated to retain a copy and may not be able to provide it to you.

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**Who is Paragem?**

Paragem Pty Limited is a financial and credit services business dedicated to providing you with financial consulting services and strategies suited for your personal circumstances and individual needs. We hold an Australian Financial Services Licence (AFSL) that authorises us to operate a financial services business and provide you with financial advice and services. We also hold an Australian Credit Licence (ACL) that authorises us to provide credit assistance. Paragem's AFSL and ACL number with ASIC is 297276.

Paragem is distinguished by our commitment to personal service. Whether you've previously received financial advice or not, we can help you develop solutions tailored to your circumstances.

In today's competitive environment business relationships are founded on professionalism, integrity and exceptional client service. These are also the principles upon which our business is founded. In our dealings with clients, as advisers we aim at all times to be professional, honest and fair, and to provide excellent service.

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**Who is my adviser?**

Information about your adviser is detailed in Part 2 (Authorised Representative Profile) of this Guide.

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**Who is responsible for the advice I receive?**

Paragem is responsible for the advice, financial services and credit services provided to you, including the distribution of this Guide.

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**What financial services are you authorised to provide me and what Financial Product/s do those services relate to?**

Paragem's AFSL authorises it to provide advice and deal in the following products:

- Deposit products (cash and Term Deposits)
- Debentures, stock and bonds issued by a government
- Life Insurance risk and investment products
- Managed Investment Schemes, including IDPS and MDA services
- Retirement Savings Accounts
- Securities (shares)
- Standard Margin Lending Facilities
- Superannuation, including Self Managed Superannuation Funds

We can restrict the services or products that an adviser may provide on our behalf. Part 2 of this Guide will include your adviser's authorisations.

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**What credit services are you authorised to provide me and what product/s do those services relate to?**

Paragem's ACL authorises it to provide credit assistance to clients. This assistance may relate to mortgages, credit cards and personal loans.

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**Will the advice I receive be appropriate for my personal circumstances?**

In order for us to provide personalised advice you need to provide us with a list of your personal objectives, details of your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to tell us, if you do not wish to. However, if you do not, we may not be able to provide you with personal advice or the advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the warnings contained in the Statement of Advice or listen to any oral warnings carefully before making any decision relating to a Financial Product/s.

If you ask us for credit assistance and you do not provide the required financial information we will not be able to conduct a preliminary assessment of the suitability of a credit contract, consequently we will not be able to provide credit assistance.

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**Do you have any relationships or associations with Financial Product issuers or Credit providers which could influence your advice?**

Paragem is a wholly owned subsidiary of HUB24 Limited, an ASX listed company that provides an investment administration and reporting platform. If you use the HUB24 platform, Paragem's employees and representatives (our advisers) may benefit financially by virtue of being shareholders in the company.

Our advisers are obliged to always act in a client's best interests and will only recommend the use of the HUB24 platform if it is appropriate to do. We also continue to use other platforms to implement our investment advice and you are free to request your adviser use an alternative platform if you would prefer.

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**What credit providers do we use?**

At the time of production of this Guide Paragem advisers have used the Bank of Queensland, Investec, Medfin Australia Pty Ltd, National Australia Bank, St George Bank and Westpac Bank to provide credit assistance. Part 2 of this Guide will list the Credit Providers that are used by your adviser.

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**What should I know about any risks associated with the solutions recommended?**

Your adviser will explain any significant risks associated with recommended solutions, as well as the risks associated with not acting on the recommended solutions. If they do not, you should ask them to explain the risks to you. The Statement of Advice, Record of Advice, Credit Quote, Product Disclosure Statement and/or Credit Proposal Disclosure document will contain important information in this regard.

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**What information do you maintain in my file and can I examine my file?**

Your adviser will maintain a record of your personal profile including details of your objectives, financial situation and needs. They also maintain records of any recommendations made to you and the preliminary assessment for credit assistance.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. Our Privacy Notification Statement is included within Part 2 of this Guide for your information. Our privacy policy can be reviewed on our website at [paragem.com.au](http://paragem.com.au)

Should you wish to examine your file just ask your adviser and they will make all necessary arrangements to provide you with relevant information.

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**How do I have to give you instructions about my Financial Product/s?**

You need to give us instructions in writing (eg. letter or e-mail) or another method as agreed by us.

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**Do you have compensation arrangements in place?**

Paragem holds appropriate compensation arrangements under the Corporations Act and the National Consumer Credit Protection Act in the form of Professional Indemnity Insurance which includes services provided by both current and former Representatives.

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## How will I pay for the services provided?

Operating a financial services business involves substantial costs and correctly priced fees assist us to afford the appropriate infrastructure, personnel and systems required to provide you with quality advice. We have an open and honest fee structure, which allows you to choose the payment option that suits you.

Paragem and your adviser are remunerated for the services you receive by the following methods:

- fee for service (means any of the following: a fee for providing a Statement of Advice, Credit Proposal, a management fee, an ongoing advice or services fee, or any fee that you will pay for the service);
- receipt of commissions from credit providers;
- receipt of commissions if we have an existing arrangement with the product/platform/insurance provider
- receipt of commissions for certain life insurance products; or
- a combination of any of the above.

We recommend you pay a 'fee for service' which is based on the breadth and complexity of the advice and ongoing management of your affairs. Your adviser will discuss with you what remuneration structure is appropriate.

Fees are paid by you directly and are based on your adviser's fee scale. However, in the case of investment IDPS platforms or wrap accounts the fee agreed on by your adviser and you may be deducted from your investment account on a monthly basis.

Commissions are paid to us by the Financial Product issuer or Credit Provider. The commissions may be initial (upfront) and ongoing or ongoing only. Your adviser will tell you what commissions will be received.

We can only continue to receive commissions for super, investment and certain insurance products if we had an existing agreement with the insurance, product or platform provider prior to 1 July 2013.

If you pay for our financial services on a commission basis, the product provider deducts the commissions from your original investment amount (initial) and from your account balance annually at a minimum (ongoing)

In the case of Life Insurance risk products we receive a commission based on the amount of premium you pay each year, which is determined by, among other things, the amount of insurance you take out. We receive both initial and ongoing commissions from life insurance companies.

In the case of Margin Lending products we receive commission based on the money that you borrow from the Margin Lending providers. We receive ongoing commissions from these Margin Lending companies.

Any commission in respect of credit assistance is part of the fees or interest the Credit Provider charges.

The amount of commissions paid by product issuers and credit providers varies from company to company.

If you receive personal advice or credit assistance from us, we will tell you about any fees, commissions and any other benefits, where possible in actual dollar amounts, in the Statement of Advice or Credit Proposal Disclosure document or orally when providing further advice to you. Your adviser will give you this Statement of Advice or Record of Advice, before we proceed to act on your instructions.

Where Time Critical Advice is given (where you instruct that the transaction takes place before the Statement of Advice is given to you) we will advise you orally of the fees, commissions and any other benefits applicable and these will be restated in our Statement of Advice to you.

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**How are any fees, commissions or other benefits calculated for providing the financial and credit services?**

Our advisers are permitted to set their own fees and the amount of commission they will receive from product issuers and/or credit providers.

The fees charged and commissions received by your adviser are contained in Part 2 of this Guide. Your adviser is also required to provide you with an annual Fee Disclosure Statement which will set out the fees paid, and the services offered and taken in the previous 12 months.

All fees and commissions generated by your adviser are paid to Paragem. Any cheques you write to pay for fees should be made payable to Paragem Pty Limited and not your adviser.

Paragem will then pass an agreed percentage of those fees and commissions onto the adviser.

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**Do you have any special remuneration arrangements or conflicts of interest?**

**Ownership**

Paragem is a wholly owned subsidiary of HUB24, as mentioned previously in this FSG.

**Additional Commissions**

In certain circumstances our advisers may have qualified for additional commission payments as a result of the support they have shown to particular product providers over the years that they have been providing financial services. The additional commission is normally a percentage of the ongoing fees that the product provider charges on the investment or the insurance premium that you pay. Paragem will pass an agreed percentage of any additional commission onto the adviser.

An outline of any such arrangements will be included in Part 2 of the Guide, with more detailed information provided when you receive the advice.

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**Will anyone be paid for referring me to you?**

Where you are referred to us or our adviser by another person, that person may be paid a fee, commission or benefit in relation to that referral. Part 2 of this Guide will disclose if any such payments are made.

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**What should I do if I have a complaint?**

If you have any complaints about the service provided to you, you should take the following steps:

1. Contact your adviser and tell them about your complaint.
2. If your adviser has not satisfactorily resolved your complaint within 5 days, please contact the Responsible Manager on (02) 8036 6490 or put your complaint in writing and send it to:

Mail: The Responsible Manager  
Paragem Pty Limited  
PO Box R1135  
Royal Exchange NSW 1225  
info@paragem.com.au

We will acknowledge receipt of a complaint as soon as practicable, we will then investigate the complaint and respond to you within 45 days. We will try and resolve your complaint quickly and fairly.

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**What if the complaint is not resolved?**

If the complaint can't be resolved to your satisfaction within 45 days, you have the right to refer the matter to:

Australian Financial Complaints Authority (AFCA):

Online: [afca.org.au](http://afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

Mail: Australian Financial Services Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

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**Contact us**

If you have any further questions about the financial or credit services Paragem provides, please contact our head office or your adviser. Please retain this document for your reference and any future dealings with Paragem.

Online: [paragem.com.au](http://paragem.com.au)

Email: [info@paragem.com.au](mailto:info@paragem.com.au)

Phone: 02 8036 6490

Mail: PO Box R1135  
Royal Exchange NSW 1225

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