

# Policy: Credit Cards for Financial Management Customers

## Purpose

---

The aim of this Policy sets out the overall management of credit cards for financial management customers and to ensure the use of credit cards is properly considered and a formal authority under [Section 71](#) issued.

- Customers may have operated a credit card when the order appointing NSW Trustee and Guardian was made and seek to continue operating a credit card under [Section 71](#) of [NSW Trustee and Guardian Act 2009](#) (the Act).
- Established financial management customers may also request the use of a credit card and it is important that all matters pertaining to their use are properly managed.
- Customers may wish to operate a credit card as opposed to any other payment facility.
- [Section 39](#) of the Act sets out the principles by which NSW Trustee and Guardian implements financial management orders. Section 39(b) requires that our actions should be least restrictive as possible – *The freedom of decision and freedom of action of such person should be restricted as little as possible.*
- [Section 71](#) of the Act allows the Chief Executive Officer of NSW Trustee and Guardian to consider whether a customer should be given authority to deal with part of their estate, in this case a credit card.
- NSW Trustee and Guardian aims to be proactive in its management of credit cards but considers them high risk and only to be available to customers where the level of risk is as far as possible mitigated. An alternate option would be a Debit Visa or Debit MasterCard as expenditure is limited to the funds in the account.

The use of a credit card by a customer may be a long-standing financial/spending tool and reflect past cash flow management. NSW Trustee and Guardian concerns regarding misuse of the credit card and budgetary constraints should be raised with the customer/key contact before removal of the credit card should be considered.

Providing access to credit cards can be high risk as NSW Trustee and Guardian can be limited in its ability to control their use. It is important that the circumstances of all individual arrangements are properly considered, monitored and documented.

It is important to ensure that credit cards are only agreed to or continue to be used in conjunction with advice from professional people supporting the person in the community and by agreement in writing.

It is also important that the situation is fully examined when a credit card request is made, and the arrangement clearly documented considering their personal situation, financial obligations and budget issues. Financial Management customers should be asked to consider the preferred option of a debit Visa or debit MasterCard as an alternative approach, but it is recognised that it is a matter of choice.

By clarifying arrangements and ensuring expenditure is controlled and reviewed, the benefits to be gained are a reduction in potential risks.

### Policy statement

---

A customer can operate a credit card within certain parameters in line with the principles contained in [Section 39 of the NSW Trustee and Guardian Act 2009](#). Considering there is a high risk associated with their use, the following issues need to be considered:

- the customer is supported in their request to operate a credit card by a Case Manager, or other key contact.
- an arrangement regarding the limit on monthly expenditure and payment of invoices has been discussed and agreed.
- an affordable limit has been put in place with the Credit Card provider.
- monthly cost limit as agreed has been included in the annual budget or otherwise as a Management Issue.
- a [Section 71](#) authority has been issued in line with the [Self-Management for Financial Management Customers \(Section 71\) Policy](#)
- a review process is in place for all credit card arrangements to ensure no overspending, and in the event of overspending how it will be addressed.

**NOTE:** It is NOT appropriate for the Client Service Officer to determine what credit card product is used by a financial management customer.

### Scope

---

Financial Management Customers, Estate Management Division.

### Legislative context

---

- [Section 39](#) of the [NSW Trustee and Guardian Act 2009](#)
- [Section 71](#) of the [NSW Trustee and Guardian Act 2009](#)

### Related resources

---

- [Self-Management for Financial Management Customers \(Section 71\) Policy](#)

### Definitions

---

The term '**customer**' refers to all NSW Trustee and Guardian customers and stakeholders. Customer is broadly defined and should be considered in the relevant context. The term customer refers to:

- Person under a financial management order.
- Person who makes a Will, Power of Attorney or Trust Deed appointing NSW Trustee and Guardian to act in the appropriate capacity.
- Beneficiaries of estates and trusts – where the customer is a beneficiary of an estate or trust, decision makers must ask does the request support the administration of the estate or trust according to law.
- Stakeholders such as key contacts, family, social workers, support persons or organisations

NSW Trustee and Guardian when acting as guardian, financial manager, attorney, receiver, collector, executor, administrator, and trustee is in a fiduciary relationship with its customers. As a fiduciary, NSW Trustee and Guardian owes duties to the customer

and a breach of those duties can have serious consequences for NSW Trustee and Guardian personally.

When acting as executor, administrator and trustee, NSW Trustee and Guardian owes additional trustee duties to its customers and a breach of these duties may also have serious consequences for NSW Trustee and Guardian.

**Credit Card** means a physical payment card that allows you to get credit from a financial institution. A person can use the pre-approved limit to make purchases and repay the borrowed amount with an interest each month within their billing cycle. (Important: Interest is not paid if amount owing is paid in full by the due date).

**Debit Card** means a card issued by a bank or credit union linked to a savings account that is used to access funds in the account. A person can use a debit card to access cash from an ATM or to buy goods or services, the money is taken from the 'available funds' in the account.

## 1 Document information

<b>Title:</b>	Credit Cards for Financial Management Customers Policy
<b>Owner:</b>	Knowledge Manager, Estate Management Division
<b>Approver:</b>	Acting Director, Estate Management Division
<b>Date of Effect:</b>	26 June 2024
<b>Next Review Date:</b>	26 June 2025