

Policy: Credit Cards for Direct Managed Customers

Purpose

To provide guidance in the management of credit cards for direct managed 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 & Guardian was made and seek to continue operating a credit card under [Section 71](#) of [NSW Trustee and Guardian Act 2009](#).
- Established direct managed 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 & 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 CEO of NSW Trustee & 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 & 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 & 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 & 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 taking into account their personal situation, financial obligations and budget issues. Direct managed 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, medical practitioner 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 that clearly outlines the arrangement and a review date
- a review process is in place for all credit card arrangements to ensure no over spending but if so that it is addressed
- it is not appropriate for client services officers to be determining what credit card product is used by a direct managed customer.

Scope

Directly managed customers

Legislative context

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

Definitions

Credit Card means a small **plastic** card issued to users as a line of credit from the issuer of the card as a system of payment

Debit Card means a plastic card that provides the cardholder electronic access to his or her money at a financial institution

Document information

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