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# PETER'S MESSAGE

The banking and finance sector has experienced significant change over the past few years, and this pace of change is likely to continue. It is, therefore, important SERVICE ONE recognises and responds to these changes.

As a consequence, in May last year a postal ballot was conducted seeking Member approval for changes to SERVICE ONE's Constitution to allow the Board more flexibility to explore business opportunities, and to help address the changes emerging in the sector. One of these opportunities was to further investigate a possible strategic alliance with Bendigo and Adelaide Bank (Bendigo). Members voted strongly in favour of the changes to the Constitution and the Board continued its work in investigating the possible benefits of the strategic alliance.

After the Board formed the view that there were significant advantages in the alliance for SERVICE ONE Members, a special resolution was put to Members late last year at the Annual General Meeting to consider the partial transfer of business, and name change, to allow the strategic alliance to go ahead. As with the May postal ballot, a strong majority of Members who voted were in favour of the special resolution and it was passed resoundingly.

In short, the special resolution authorises SERVICE ONE to enter into an agreement with Bendigo for a partial transfer of business (loans and deposits), with the bank providing us with a range of products and services we can price and offer to Members, as well as a range of regulatory, compliance, technological and administrative support services to help us keep costs down.

This positive result reflects widespread interest, understanding and support for the alliance but given the extent of the changes, understandably, some remain uncertain. SERVICE ONE will remain 100 per cent local and Member-owned and Members will continue to have access to services available today and our commitment to providing a personalised service remains as strong as ever.

In the coming weeks and months there will naturally be some changes, but they will be gradual so as to minimise disruption. Once the partial transfer of business and name change comes into effect, we will then turn our attention to full implementation, which will require a change to our core banking system. At this point, we can look to offer Members greater product and service diversification as we leverage our association with Bendigo. It is expected this process will take 12 – 18 months to complete.

I encourage Members to keep an eye out for communication from SERVICE ONE, particularly over the coming months, as we look to provide updates on the alliance. The communication will be a combination of direct mail posted to Members, information on our website and email communication.

On other matters, as it is the start of the year, we are putting the call out for Members to complete the Member survey. Feedback collected through the survey provides valuable insight into Member thoughts on various aspects of our operations and contributes greatly to our business planning. I encourage all Members to take a few moments to complete the survey by the end of February by logging onto our website at [somb.com.au](http://somb.com.au) and following the links.

Until next issue



Peter Carlin  
Chief Executive



# AVOIDING SCAMS

Scams come in many forms and are becoming more creative and intricate but there are some key tips to keep in mind to help protect yourself.

## Do your own checks

Always do your own research on a company before you deal with them. You should seek independent professional or legal advice so you are not relying solely on the information the potential scammer gives you. Keep in mind if a company is trying to sell you an investment opportunity, they need to hold an Australian Financial Services Licence – if they advise that they don't need one, you should report them to the Australian Securities and Investments Commission.

## Ask the right questions

To check the legitimacy of an offer, consider asking the following:

- ✓ What is your name and what company do you represent?
- ✓ Who owns the company?
- ✓ What is your address?

If you find the person you're dealing with avoids answering these questions, you are most probably dealing with a scam. Hang up the phone, do not respond to emails and stop dealing with the person. Even if these questions are answered, remain cautious and do your own checks.

## Protect your personal information

Never provide any personal, banking or credit card information to anyone who makes contact with you. Check account statements thoroughly and report any unauthorised transactions to your banking institution immediately. Destroy all documents with your personal information on them. Choose passwords that are hard to work out and never share these with anyone.

More information about maintaining strong security practices can be found on SERVICE ONE's website at [somb.com.au](http://somb.com.au) (select the 'Security' tab at the top of the screen).

Adapted from information sourced from [moneysmart.gov.au](http://moneysmart.gov.au). No warranties are provided and no representation is made that the information provided is appropriate for your particular circumstances or indicates you should follow a particular course of action.

## Secure your computer and mobile device

Delete and do not open any unsolicited or suspicious emails you receive. Enable security settings on your computer and mobile devices and install current anti-virus programs.

## Reduce telemarketing calls

You can put your name on the Do Not Call Register to remove your name from telemarketing phone lists. This should reduce the number of telemarketing calls you receive but keep in mind this will not stop scammers from phoning you as they do not follow rules.

Be on guard about every offer that is made to you. If it's too good to be true – it probably is. Your best defence against scams is to hang up the phone, delete the email or destroy the letter if you think it even vaguely resembles a scam and never provide personal or banking information.



SCAM  
ALERT

# THE BENEFITS OF REFINANCING

**With a large portion of the household budget going towards home loan repayments, it makes sense to make sure you're getting a good deal... and consider refinancing if you're not.**

Refinancing your home loan can bring with it several benefits, including:

## **Securing a lower interest rate**

One of the best reasons to refinance is to lower the interest rate on your existing loan. This not only reduces your repayment amount and helps you save money, but it increases the rate in which you can build equity in your home.

## **Reducing the term of your loan**

In a competitive interest rate market, if you can achieve a significant reduction in your loan interest rate, when you refinance your loan consider shortening the term of the loan if you can – do the sums to make sure it's sustainable. Even if you refinance and keep a similar timeframe to pay it off, pay more than the minimum repayment amount to pay it off sooner. After all, the quicker you can pay off the loan, the less interest you'll pay.

## **Increasing loan features**

Refinancing to a loan with added features can make sense but make sure you will utilise those features. For instance, refinancing to a loan with offset makes little sense if you are not able to keep additional funds in accounts linked to the offset facility. Other features you can look for include redraw, more flexible repayment arrangements and loan splitting between fixed and variable.

## **Tapping into equity or consolidating debt**

Refinancing your home loan can give you an opportunity to tap into equity you have in your home to renovate, refurbish or to even consolidate debt. Equity is essentially the difference between your home's worth and the size of the loan you have on your home. You should consider this carefully before proceeding as refinancing for these purposes can encourage revolving debt. In addition, when refinancing for debt consolidation purposes, replacing high interest debt with a lower interest home loan can seem like a good idea, but this is generally paid over a longer period of time which minimises your savings potential.

When refinancing, consider the long-term impact. For instance, if you are refinancing to a fixed rate (either partially or completely), will the loan automatically revert to the standard variable rate after the fixed period? Has the lender been competitive with their variable rate loans in the past? Fixed rates only remain for a certain period.

# REFINANCING

## When refinancing can make sense...

- Your lender's rate is not competitive with others in the market.
- Your financial situation changes.
- You are looking to renovate or refurbish or need help with another large purchase or expense.
- Switching to a competitive fixed rate when rates are on the rise.
- High interest credit card debt is getting the better of you.

## When refinancing may not make sense...

- You might not own your home for much longer.
- Early repayment penalties are high on your existing loan.
- Your credit history has taken a hit since you applied for your home loan, meaning a fresh assessment may not be as favourable.
- Your loan balance is low and you're not looking to redraw on available equity.

Before refinancing, you should consider your circumstances over the next few years and be aware of what your goals are. If it is about getting a better rate, think about the entire life of the loan, not just the headline rate and consider the other pros and cons of refinancing.

**If you would like to discuss the benefits of refinancing your home loan with SERVICE ONE, speak to one of our lending experts by phoning 1300 361 761 or visiting your local Branch.**

# DEFINED BENEFIT SCHEMES

**Although most of us have superannuation, how much you receive in retirement may depend on the type of fund you have.**

Based on the calculation of the retirement benefit there are two types of superannuation funds:

1. Accumulation funds are the most common type of super fund. The lump sum available on retirement is based on the sum of the contributions and earnings less fees and taxes (much like an account at a banking institution).
2. A defined benefit fund (or defined benefit scheme) on the other hand is one in which each employee's retirement benefit is a specifically defined multiple of certain pre-determined variables, such as your average pre-retirement salary and years of service. Importantly, these schemes are not affected by market returns, so the cost of meeting the final super benefit to members is effectively shifted onto the employer or operator of the scheme (commonly, the Government).

Defined benefits schemes can be:

- fully funded, where the Government contribution to the fund each period is sufficient to ensure that the assets of the fund cover the estimated accruing value of all member entitlements
- partially funded, whereby the Government contributes to the fund in each period but the assets of the fund are insufficient to cover the estimated accrued value of all member entitlements, or

- unfunded, whereby the Government does not contribute to the fund each period – Government funding is provided only as required for payments to retiring employees.

In contrast, an accumulation-style fund is, by definition, fully funded (but not by the Government) – the account balance reflects the member's entitlement on retirement, resignation, withdrawal or death.

Historically, public sector superannuation schemes have been defined benefit schemes and pay benefits either as a pension or as a lump sum at retirement. However, there has been a shift towards accumulation funds and lower employee benefits since the mid to late 1980s but longer serving employees continue to have the option to remain in defined benefit schemes.

Depending on how the fund is operated, members and their dependents may be paid benefits under various events such as disability, redundancy, death or generally on retirement etc. Members may receive a lump sum or pension or combination of both.

The taxation of these benefits is complex and depends on how benefits are paid (such as lump sum or pension), the age of the member at the date of payment and the circumstances in which benefits arise (for example, payments under disability may be concessional tax to members).

**Defined benefit schemes require specialist knowledge – arrange an appointment with a Bridges financial planner by phoning SERVICE ONE on 1300 361 761 or visiting your local Branch.**

Adapted from the Bridges fact sheet 'Defined benefit schemes' (sourced from [bridges.com.au](http://bridges.com.au)).

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# IN THE COMMUNITY

## LOCK UP YOUR BOSS EVENT RAISES NEARLY \$70k FOR LIFELINE

Towards the end of last year SERVICE ONE teamed up with 104.7 to present Lock Up Your Boss – a charity event to raise money for Lifeline Canberra. We reached out to Canberra bosses and set the challenge for them to be locked up in Garema Place in the city and to raise at least \$1,000 to be released. Dozens of bosses registered for the initiative and they all spent time in the jail cell, kicking off early in the morning to coincide with Scotty and Nige's breakfast show. They reached out to their networks and the general public to encourage donations towards their tallies.

There were some amazing individual results, with several bosses raising over \$5,000 each and the vast majority smashing the \$1,000 target, including a stand out performance from one of our bosses, who spent over five hours in the jail as she has personal experience with the support services of Lifeline and was determined to stay in there until she reached \$5,000.

The event exceeded all expectations, raising close to \$70,000 for Lifeline – a fantastic result. Thanks to all the bosses who participated as well as everyone who donated and joined us in Garema Place for the festivities.

A list of all bosses who got involved and their tallies is available on SERVICE ONE's website under the 'What's News' section.



## CAVALRY SEASON UNDERWAY

The Canberra Cavalry baseball season hit off late last year and continues until the end of January. With home games played at the Narrabundah Ballpark, if you're yet to experience a Cavalry match for yourself, try and get along to one of the remaining fixtures to witness some world class baseball in a fan-friendly venue.

SERVICE ONE has been a long-term supporter of the Cavalry and this season we added the 'number ONE seats in the house' promotion – offering one lucky family the chance to experience the match from a raised platform pitch-side with catering at selected fixtures.

Find out more at [canberracavalry.com.au](http://canberracavalry.com.au).



## KICKS FOR CA\$H RAISES FUNDS FOR MENSLINK

As part of our sponsorship with Brumbies Rugby, SERVICE ONE provides funds to a selected charity for each successful goal the Brumbies kick at home games. For the 2014 season, the charity of choice was Menslink.

Menslink supports young men through free counselling, volunteer mentoring and school programs. It's all about helping young guys get through tough or lonely times and see them reach their full potential.

Through the 2014 Kicks for Ca\$h program, we helped raise \$3,200 for this worthy cause.

# SERVICE ONE NEWS

## MEMBER SURVEY NOW AVAILABLE

SERVICE ONE's Member survey is now available to complete. This annual survey aims to collect views and perceptions on several areas of the business, including (but not limited to):

- banking behaviour and channel usage
- advocacy levels (how likely you are to recommend SERVICE ONE to family and friends)
- how we compare with other banking institutions you may deal with, and
- how well we're living up to our Member Service Promises.

The survey will remain open until the end of February and all Members are encouraged to take a few moments to complete the survey as this forms an important part of the business planning process.

To complete the 2015 Member survey, visit [somb.com.au](http://somb.com.au) and follow the links.

## SOCIAL MEDIA CONTINUES TO GROW

If you're not already following us, we encourage you to connect to not only keep up with all of our community activities, but so you can find out about special offers and get involved in SERVICE ONE's social media promotions such as our Friday Find for your chance to win some great prizes. Visit [somb.com.au/social](http://somb.com.au/social) for further information.



Use your QR code scanner on your smartphone to 'Like' or 'Follow' us now.

## STAFF MILESTONES

### 10 years



**Peter**

I started with SERVICE ONE in the credit control area and in the first couple of years was tasked with several new opportunities and roles. I then became the Head of Lending for SERVICE ONE. As Member loans continue to be a focus for the organisation, while this role is particularly challenging it is also very rewarding as we work closely with Members to understand their financing needs and provide a level of service that is built on a culture of caring – something that is particularly unique to SERVICE ONE.

### 5 years



**Heather**

I started with SERVICE ONE in the retail Branch network and from there, moved into the Lending Administration area where I have been for the past few years. I really believe in the credit union movement and appreciate the fact SERVICE ONE is a part of this. A couple of years ago I was fortunate enough to participate in a leadership challenge organised by Credit Union Foundation Australia and we got to work in underdeveloped communities in the pacific region and teach children about the importance of financial literacy. This is an experience I'll never forget and something I still contribute to.

# CARD AND PIN SAFETY

As cards provide us with access to funds in linked accounts, card and PIN safety is incredibly important to minimise the risk of unauthorised access.

In order to protect your card and PIN, you should:

- sign the strip on the reverse of the card immediately upon receiving it
- not tell anyone (including family and friends) your PIN
- not let anyone else use your card and/or PIN
- use care to prevent anyone else seeing your PIN when using an ATM or EFTPOS terminal
- take reasonable steps to protect your card from loss or theft
- not choose a PIN easily identifiable or retrievable (for instance date of birth or any part of your name)
- don't use the same PIN on multiple cards
- never write the PIN down
- immediately report the loss, theft or unauthorised use of the card, and
- examine your account statement carefully immediately upon receiving it to ensure you can account for all transactions and report any potential unauthorised use immediately.

In addition, you may like to consider placing a lock on your mailbox to avoid anyone intercepting your mail, including when new cards and PINs arrive.

For more information on card and PIN safety, visit SERVICE ONE's website at [somb.com.au](http://somb.com.au) or refer to our Operation of Accounts and Access Facilities booklet.

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## Visit us

Branches throughout the ACT and surrounding NSW.  
Visit [somb.com.au/locate](http://somb.com.au/locate) or phone 1300 361 761 for details.

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