

PRODUCT DISCLOSURE STATEMENT



FLX Services

Dated: 3 November 2021

ABOUT THIS DOCUMENT

This document is a Product Disclosure Statement (**PDS**) issued by InLoop Pty Ltd ABN 27 114 508 771 (trading as Flexischools) which holds Australian financial services licence number 471558 (**Flexischools**).

This PDS is an important document which provides information about the FLX Services to assist you in making an informed decision about whether the FLX Services will meet your needs.

This PDS only applies to you if you reside in Australia.

The information in this PDS is not intended to constitute advice, nor is it a recommendation or opinion that FLX Services are suitable for or take into account your specific objectives, financial situation or needs. You should consider the appropriateness of the FLX Services to your circumstances before utilising the FLX Services or the FLX Card.

The information in this PDS is current as at the date of issue. The information in this PDS may change from time to time. If the change is not materially adverse to you, we may notify you of the change on our website at www.flexischools.com.au/flx-legal. You may obtain a free paper copy of any updated PDS by contacting us using the contact details in the "Contact Us" section of this document.

This PDS contains important information about the FLX Services, including the fees and other costs that apply to the FLX Services.

Unless otherwise specified, all amounts in this PDS are in Australian dollars.

ISSUER

This is the PDS for the FLX Services, which is issued by Flexischools.

You should note that Flexischools is not the issuer of the FLX Card. The FLX Card is issued by EML Payment Solutions Limited, ABN 30 131 436 532, AFSL 404131 (**EML**) under licence from Mastercard. EML has issued a separate PDS in relation to the

issue of the FLX Card (**FLX Card PDS**).

Please read all of this PDS, in conjunction with the combined FSG / PDS for our Flexischools Services (**Flexischools FSG / PDS**), the FLX Terms and Conditions of Use, relevant policies and the FLX Card PDS, carefully before deciding whether to use the FLX Services. Your use of the FLX Services is governed by this PDS and by the FLX Terms and Conditions of Use.

You may obtain copies of this PDS, the Flexischools FSG / PDS, the FLX Card PDS and the FLX Terms and Conditions of Use by contacting us using the contact details in the “Contact Us” section of this document.

THE FLX SERVICES

The FLX Services allow existing Flexischools Account holders (**Parents**) to establish up to five separate FLX Accounts, which can be used by a nominated child (or other minors for which the Flexischools Account holder is responsible).

You will be asked to nominate a particular child as the FLX User when you open the FLX Account.

Please note that you will only be able to open a FLX Account if you have an existing Flexischools Account. You should refer to the Flexischools FSG / PDS for further information about the Flexischools Parent Wallet.

Once a FLX Account is opened, a Flexischools Account holder / Parent may transfer available balance from their Flexischools Parent Wallet to a FLX Account.

The funds held in respect of any FLX Account(s) opened by a Parent and the Parent’s Flexischools Parent Wallet may, in aggregate, be up to the funds limit which is \$4999.99 (**Funds Limit**). Please note that you will not be able to load an amount of funds that exceeds the Funds Limit across your Flexischools Parent Wallet and FLX Account(s).

A FLX Account User or a Parent can move funds that are in a FLX Account between the FLX Save Balance (the savings component of the FLX Service) and FLX Spend Balance.

A FLX Account is not a savings product, and you will not earn interest on any balance, including on amounts that are held as FLX Save Balance. Please see section below “How we manage funds in your FLX Account”.

EML (the FLX Card Issuer) will issue a FLX Prepaid Mastercard to each FLX User, and the FLX Account holder can use their FLX Card to spend up to the balance within their FLX Spend Balance, in accordance with the FLX Terms and Conditions of Use, this PDS and the FLX Card PDS.

By using the FLX Services, you will be able to do the following:

1. Load or move money onto your child's FLX Spend Balance (where it will be available for your child to spend with relevant Merchants using the FLX Card).
2. Load or move money onto your child's FLX Save Balance which will be retained in the FLX Account and can be allocated to particular savings targets.
3. Regularly load funds from your Flexischools Parent Wallet to your child's FLX Account using the FLX Earn feature.

Your child can use the FLX App to move funds between a FLX Save Balance and FLX Spend Balance (though this does not give the child access to your linked Flexischools Parent Wallet). A child can also set up specific savings targets and use the FLX App to move funds into these savings targets.

The FLX Card has been set up with restrictions so that the FLX User is not able to:

- access cash out at ATMs or perform cash out transactions at the point of sale; or
- use their FLX Card at Unauthorised Merchants, which are merchants that provide goods or services that are generally considered to be inappropriate for children.

Up to 5 FLX Accounts may be connected to your Flexischools Account at any given time. All FLX Accounts including the Flexischools Parent Wallet will, in aggregate, be subject to the Funds Limit.

You agree to pay the FLX Subscription Fee in accordance with this PDS.

To find out more visit www.flexischools.com.au.

OPENING A FLX ACCOUNT

You can register for the FLX Services via your Flexischools Account at www.flexischools.com.au or the Flexischools App by clicking the relevant FLX tile and completing the online registration form.

FLX TERMS AND CONDITIONS OF USE

This PDS, the FLX Terms and Conditions of Use (Part A and Part B), and your completion of the online FLX registration form constitute your agreement with us.

The FLX Terms and Conditions of Use (Part A and Part B) are available online at www.flexischools.com.au/legal. You should read and ensure you understand the FLX Terms and Conditions of Use. We reserve the right to amend the FLX Terms and Conditions of Use from time to time.

HOW WE MANAGE FUNDS IN A FLX ACCOUNT

Any funds held in a FLX Account will be pooled with money from FLX Accounts of other customers, as well as money from Flexischools Parent Wallets and deposited into a client segregated monies account held at a licensed bank in Australia.

We will hold such money as you deposit to a FLX Account in the client segregated monies account until such time as a transaction that is performed with the FLX Card attached to the relevant FLX Account settles. After this time, the value of that transaction will become funds to which Flexischools is entitled, and it will be withdrawn from the client segregated monies account by Flexischools.

Interest that is earned on monies held in the client segregated monies account will be for the benefit of Flexischools.

Funds in a FLX Account are not a deposit for the purposes of the Financial Claims Scheme.

The Financial Claims Scheme is a scheme administered by the Australian Prudential Regulation Authority (**APRA**) to protect depositors of authorised deposit-taking institutions from potential loss due to the failure of these institutions. It provides depositors with a guaranteed protection, up to a cap. As at the date of this PDS, the Financial Claims Scheme applies to deposits only. It does not extend to stored value cards such as the FLX Account.

For more information, see APRA's website at <https://www.fcs.gov.au/>

LOST OR STOLEN FLX CARDS OR DEVICES

If you have lost, or suspect that a FLX Card or Device has been lost or stolen you must block it immediately in the FLX App or Flexischools App.

SIGNIFICANT RISKS

The following are some of the significant risks associated with use of the FLX Services:

Merchants – In most cases, Flexischools is not responsible for, nor does it have any control over, the promotion or provision of such goods and services, or the quality or fitness for purpose of those goods and services. There is a risk that a Merchant may misrepresent goods or services, fail to provide those goods or services or that the goods and services are not of the expected quality.

FLX Card Issuer – Flexischools is not the provider of the FLX Card, meaning there is a risk that issues caused or contributed to by the FLX Card Issuer may impact your or your child's ability to access or use the FLX Card services. You should refer to the FLX Card PDS for specific risks in respect of the FLX Card.

Mistaken transactions – There is a risk that your child may make a mistaken or erroneous transaction while using a FLX Card, or your child may make errors when using the FLX Card. You are responsible for any mistakes or errors made while using the FLX Card.

No cash – The FLX Card has been set up with restrictions so that the FLX User is not able to access cash out at ATMs or perform cash out transactions at the point of sale. The FLX Card may therefore not be able to facilitate your child spending with certain Merchants that only accept cash.

Movement of money – As part of the FLX Services, the FLX User is given access to the money in their FLX Account, which they may move via the FLX App between the FLX Savings Balance or savings targets and the FLX Spend Balance. The FLX User can then spend the FLX Spend Balance using their FLX Card. Whilst this is a feature of FLX, there is a risk that a child may spend money that was intended, by a Parent or guardian, to be saved by the child.

Unauthorised transactions or access – There is a risk a FLX Account, your child's FLX Card or the FLX App may be compromised and subject to an account takeover, unauthorised transaction or other type of fraudulent activity. This includes circumstances where the FLX Card /or Device is lost or stolen. You may be liable for losses arising from an unauthorised transaction where you have breached the FLX Card Terms and Conditions of Use or the Flexischools Terms and Conditions of Use (for example, failure to keep your account information, PIN and password confidential, or failure to block a lost or stolen FLX Card or Device via the FLX App or Flexischools App). For more information, please refer to the FLX Terms and Conditions of Use.

Merchant blocks – Flexischools has established blocks on certain merchant categories to prevent your child's FLX Card from being used with certain categories of Merchants that provide goods and services that are generally considered to be inappropriate for children. These categories include Merchants with merchant category codes covering drugs and drug proprietors; bars and cocktail lounges; dating services; and gambling transactions. However, there is a risk that a FLX Card may be used to acquire an inappropriate good or service because a Merchant has been incorrectly categorised, or because the FLX Card is used to purchase inappropriate goods or services from a Merchant that is in a category that is not blocked.

Not a deposit - Funds in your FLX Account are not a deposit for the purposes of the Financial Claims Scheme.

Hold on funds, account limitation and account closure – Your FLX Account and funds in it may be subject to a hold, limitation or closure for a variety of reasons, including suspected fraud, if we or the FLX Card Issuer believe there is risk associated with you or your FLX

Account, or if there is an actual or suspected breach of the FLX Terms and Conditions of Use, or the Flexischools Terms and Conditions of Use, or any other policy or agreement you have entered into relating to the FLX Services.

Unavailability of our Services – Whilst we make every attempt to ensure the FLX Services are available at all times, it is possible that they may be rendered temporarily unavailable from time to time.

Unavailability of transaction authorisation – when transactions are performed at the point of sale using a FLX Card, the Card Issuer is reliant on a response from us to confirm whether a FLX Card is valid and whether there are sufficient funds in the relevant FLX Spend Balance for the value of the Transaction. If our response is rendered temporarily unavailable this will mean that the relevant response will not be returned and that Transaction will be declined.

SIGNIFICANT BENEFITS

The following are some of the significant benefits available to you when using the FLX Services:

Convenience – Provides access to funds for your child through use of your existing Flexischools Parent Wallet, allowing your child to pay for a range of goods using their FLX Card.

Cashless – Reduces the need for your child to carry cash and reduces issues associated with carrying cash.

Education – Use of the FLX Services can assist in giving your child experience in managing funds and learning financial concepts.

Transparency – Gives you and your child access to a record of every purchase made using the FLX Card.

Multiple FLX Accounts – Allows you to provide the FLX Service to up to 5 children, each with their own FLX Account and corresponding FLX Card.

FEES AND OTHER COSTS

The fees and other costs that apply to the FLX Services will be based on the standard fees and charges set out in the fee schedule below.

Please note that the fees below apply in addition to the fees for the Flexischools Services including the Flexischools Parent Wallet – it is not possible to utilise the FLX Services if you are not also a recipient of Flexischools Services. Please note that when you load funds to

your Flexischools Parent Wallet, you will be charged the relevant merchant fee surcharges, in accordance with the combined Flexischools FSG / PDS.

Fee Description	Amount and when payable
Fees charged for the FLX Services	
<p>FLX Subscription Fee</p> <p>A fee reflecting the costs for allowing you to use the FLX Services, including access to the FLX Accounts, and use of the FLX App, and provision of the FLX Card, including transaction fees.</p>	<p>\$2.50 per month (including GST); or \$25 per year (including GST).</p> <p>Charged 30 days from the date of FLX Account sign up.</p> <p>When opting for the annual option, please note that the FLX Subscription Fee is non-refundable in the event you elect to cancel your subscription during the year.</p>
<p>Replacement Card</p>	<p>Replacement FLX Cards will be generally issued for \$0 unless it is deemed that you have ordered an unreasonable number of replacement cards in a year.</p> <p>We will notify you in advance if a replacement card fee is to apply for future replacement cards. The cost of subsequent cards in this circumstance will be \$10 (including GST) to cover the cost of production, delivery and administration.</p>
Flexischools Parent Wallet Fees	
<p>Debit, Credit or Prepaid Card Surcharge</p> <p>A fee reflecting the costs of allowing you to use a debit, credit or prepaid card or PayPal to increase the balance of a Flexischools Parent Wallet (including to immediately pay for goods and services)</p>	<p>A surcharge is payable in respect of Flexischools Parent Wallet top-ups, which varies depending on the type of card used or if PayPal is used. You should refer to the Flexischools combined FSG / PDS for these fees.</p>

Fees charged by the FLX Card Issuer	
<p>Disputed transaction fee</p> <p>A fee charged periodically</p>	<p>\$11.00 (including GST) may be charged by the FLX Card Issuer in the event the FLX Card Issuer is unsuccessful in disputing a transaction and the FLX Card Issuer finds that the dispute is lodged fraudulently, or the dispute is otherwise found to not be legitimate.</p>
<p>Mastercard foreign exchange fee</p>	<p>2.99% of the total transaction value payable if you use your FLX Card to make a purchase in a currency other than Australian dollars.</p> <p>Transactions made in a currency other than Australian dollars will be subject to the prevailing Mastercard exchange rate at the time plus the 2.99% foreign exchange fee.</p> <p>This fee is added to the total price of a transaction performed using the FLX Card, and is a fee charged by the FLX Card Issuer.</p> <p>The FLX Account will list one overall transaction amount (including the purchase amount in Australian dollars combined with the Mastercard foreign exchange fee).</p>

We may vary the fees and charges (including by increasing or decreasing existing fees or charges or introducing new fees or charges) that apply to your FLX Account at any time upon prior notice to you.

FEE CALCULATION EXAMPLE

Example transaction: You make a purchase from a Merchant located outside Australia (e.g. USA);

At the time, Mastercard's prevailing exchange rate is US\$0.80 = \$1.00 Australian;

You spend US\$200.00;

The Australian dollar amount is $US\$200.00 / 0.80 = A\250.00 ;

The foreign exchange fee is therefore $2.99\% \times A\$250.00 = A\7.48 and total cost is $A\$257.48$.

TRANSACTION LIMITS

There are Transaction and load limits associated with the FLX Services, and the FLX Card, in accordance with the table below.

Limit description	Limit
Funds Limit	\$4999.99 This is the maximum balance that may be held in respect of a Parent's Flexischools Parent Wallet, as well as any FLX Accounts opened, in aggregate.
Daily load limit	\$250 daily load limit from Parent's Flexischools Parent Wallet to any individual FLX Account.
Monthly load limit	\$1,000 monthly load limit from Parent's Flexischools Parent Wallet to any individual FLX Account.
Top ups to the FLX Spend Balance	FLX Spend Balance limit of \$1,500 limit for any attempted top ups or transfers.

TAXATION IMPLICATIONS

There may be tax implications associated with the use of the FLX Services and in respect of any transactions you enter into with us. You should obtain independent taxation advice about any taxation implication for you of using the FLX Services.

COMPLAINTS AND CONTACTING US

Please note that any complaints about any goods or services acquired or paid for using the FLX Card should be resolved directly with the relevant Merchant.

We are committed to dealing with customer complaints in relation to the financial services which we provide fairly and efficiently, and to resolving issues in accordance with our complaints handling processes and policies and relevant regulatory standards.

The Australian Securities and Investments Commission has a free Infoline on 1300 300 630 for obtaining information about your rights or in relation to making a complaint.

Submitting a complaint

If you have a complaint about the FLX Service or believe your FLX Account may be subject to an unauthorised transaction, account takeover or other type of fraudulent activity, you should contact us immediately.

You can report complaints about the FLX Service by:

Phone

1300 239 911 (within Australia)

Online

Submit a case online at <https://community.flexischools.com.au/flx>

Visit us

Ground Floor, Watermark Building

5 Victoria Parade,

Manly NSW 2095

Mail

FLX

PO Box 1157

MANLY NSW 1655

Handling your complaints

We aim to:

- (a) acknowledge receipt of all written complaints within 5 business days;
- (b) resolve all complaints within 30 days.

If a complaint is not resolved within 30 days, we will inform you of progress and the reasons for the delay, and keep you informed every two weeks.

We will notify you of our decision in relation to your complaint, setting out clear and concise reasons, and inform you of the avenues open to you if you are not satisfied with our response.

Referral of unresolved complaints to external dispute resolution scheme

We are a member of the Australian Financial Complaints Authority (**AFCA**), an independent external dispute resolution scheme covering applicable Australian customers.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers:

AFCA can be contacted as follows:

Website

www.afca.org.au

Email

info@afca.org.au

Telephone

1800 931 678 (free call)

In writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Compensation arrangements

Flexischools maintains professional indemnity insurance that satisfies the requirements for compensation arrangements under section 912B of the *Corporations Act 2001 (Cth)*. The policy maintained by Flexischools provides coverage in the aggregate of up to A\$20,000,000 to cover claims regarding professional indemnity.

PRIVACY AND AML-CTF

As a financial services licence holder, we may have certain obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), and therefore may need to obtain certain information from you when opening a FLX Account. If we are not able to collect all information requested, then we may be unable to provide or to continue to provide the FLX Services.

We may keep a copy of personal information that you give to us, but your privacy is important to us and we are committed to comply with the Australian Privacy Principles and

the Privacy Act 1988 (Cth). A copy of our Privacy Policy is available from www.flexischools.com.au/legal.

COOLING OFF

You should be aware that cooling off rights do not apply to your use of our FLX Services.

HOW TO CONTACT US

Our contact details are as follows:

Visit www.flexischools.com.au and click **Contact** on the bottom of the page.

Visit us

Ground Floor, Watermark Building

5 Victoria Parade,

Manly NSW 2095

Mail

FLX

PO Box 1157

MANLY NSW 1655

Phone

1300 239 911 (within Australia)

Online

Submit a query online at <https://community.flexischools.com.au/flx>.

CONSENT

EML has provided its written consent to be included in this PDS and has not, before the date of this PDS, withdrawn that consent.

GLOSSARY

AFSL

Australian financial services licence

Device

A compatible smartphone or wearable device that supports the Apple Pay, Google Pay or Samsung Pay mobile applications that store the FLX Card as a tokenised card on a compatible phone or wearable device.

Financial Claims Scheme

An Australian Government scheme that was established to provide financial protection for consumers in the event of a failure of a bank, credit union, building society or general insurer.

Flexischools

InLoop Pty Ltd ABN 27 114 508 771 (trading as Flexischools) AFSL 471558.

Flexischools Account

An online account provided by us, restricted by a username and password, and which allows you to access the Flexischools Services.

Flexischools Account Holder

The person who has opened the Flexischools Account in order to obtain the Flexischools Service.

Flexischools FSG / PDS

The combined Financial Services Guide and Product Disclosure Statement for Flexischools issued from time to time by Flexischools.

Flexischools Parent Wallet

The Flexischools facility by which a Flexischools Account Holder may deposit money by direct deposit, credit card, debit card or PayPal (in accordance with the Flexischools FSG / PDS) which is stored as value against their Flexischools Account, and which the Flexischools Account Holder may then use in respect of payments using the Flexischools Services, or allocate to FLX Account/s they have created in accordance with the FLX Terms and Conditions of Use and which may be funded up to the Funds Limit.

Flexischools Services

The standard non-cash payment services provided by us and available through your Flexischools Account and pursuant to which you can access goods and services from a relevant supplier.

FLX Account

An online account provided by us, restricted by a username and password, connected to the FLX App and your child's FLX Card, managed via your Flexischools Account, and which allows your child (the FLX User) to access the FLX Services.

FLX App

A smartphone application that connects the FLX Account to the FLX Card, and may be operated by FLX User.

FLX Balance

Means the funds that have been transferred from the Flexischools Parent Wallet to the FLX Account.

FLX Card

The reloadable prepaid Mastercard Card issued by the FLX Card Issuer to the FLX User and includes a physical or tokenised FLX Card.

FLX Card Issuer

The issuer of the FLX Card, being EML Payment Solutions Limited (ACN 131 436 532, AFSL 404131).

FLX Card PDS

The product disclosure statement for the FLX Card issued by the FLX Card Issuer from time to time.

FLX Earn

Means the FLX feature allows a Flexischools Account Holder to schedule regular top ups from their Flexischools Parent Wallet, to a FLX Account.

FLX Save Balance

That component of funds within a FLX Account that is allocated as the savings component.

FLX Services

The non-cash payment services (and other services) provided by us and available through a FLX Account, which includes the FLX App, FLX Balance, and access to the FLX Card, which can be used to complete transactions at Merchants up to the FLX Spend Balance.

FLX Spend Balance

That component of funds within a FLX Account that are available to spend via a FLX Card.

FLX Terms and Conditions of Use

The full terms and conditions that govern the use of the FLX Services including the FLX Account and FLX Card (Part A and Part B) from time to time, and which are available at www.flexischools.com.au/legal.

FLX User

The child or ward of the Flexischools Account Holder, in whose name the FLX Account has been created and the FLX Card has been issued by the FLX Card Issuer.

Funds Limit

The aggregate funds limit of \$4999.99 which applies across any FLX Account(s) and Flexischools Parent Wallet opened by a Flexischools Account holder.

Merchants

An entity from which goods and services may be purchased using the FLX Card, subject to restrictions in the FLX Terms and Conditions of Use.

Unauthorised Merchants

Merchants with the following Merchant category codes:

- (a) 5122 (drugs, drug proprietors, etc);
- (b) 5813 (bars, cocktail lounges, etc);
- (c) 5921 (packages stores: beer, wine, liquor);
- (d) 5933 (cigar stores and stands);
- (e) 7273 (dating services);
- (f) 7800 (government owned lotteries);
- (g) 7801 (government licenced casinos);
- (h) 7802 (government licenced horse racing or dog racing); or
- (i) 7995 (gambling transactions),

or as amended from time to time.

we and us

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