

Centrepay Reform

Informed by the insights and learnings from the Agency's extensive consultation and engagement activities, Centrepay is being reformed with a focus on **improving customer protections** and reducing **financial harm**. Centrepay reform is guided by 4 key transition principles:

Stakeholder Engagement and Communication
Ensuring transparent communication with all stakeholders— particularly customers and Centrepay businesses.

Customer Focused Implementation
Deliver changes in a way that minimises disruptions to customers where possible and appropriate.

Compliance and Risk Management
Prioritising the safeguarding of customers through enhanced gatekeeping, ongoing enforcement and accountability for businesses.

Centrepay Objective
Securing the existing strengths of Centrepay as a regular bill paying service.

The following key Centrepay reform deliverables will incrementally be progressed to support transition to the new program settings from 1 July 2025:



Removal of high-risk service reasons

The Agency has reviewed the current 41 service reasons and plans to remove 5 that don't align with Centrepay's purpose as a regular bill-paying service and represent a risk of financial harm to customers:

- Household Goods Lease and Rental
- Funeral Expenses
- Basic Household Items
- Food Provision (to be phased out over time)
- Social and Recreational Commitments

In addition, the following 3 services are being removed as they are underutilised by businesses and customers:

- Motor Vehicle Registration
- Employment Expenses
- Savings

Services will also be improved by:

- Tightening the eligibility criteria to ensure businesses provide only services that meet the program intent of Centrepay.



Robust, enforceable compliance and complaints framework

We are strengthening Centrepay's compliance and complaints frameworks to enhance support for customers and to set clearer expectations for businesses. Improvements include:

- Tightening compliance and enforceability settings and terms to hold businesses to account
- Co-designing specific risk and data profiles to identify current and emerging risks and strengthen the targeting of non-compliant businesses
- Establishing clear complaint process guidelines and expectations for businesses
- Requiring businesses to have an accessible complaint processes for their customers and be able to provide evidence of this during both the application and compliance process.
- Enhancing telephony channels to easily connect customers with a Centrepay complaints specialist
- Developing proactive communication campaigns to promote Centrepay complaints options and support



Strengthening policy and contracts

Centrepay's policies and contracts will be improved to:

- Clarify contracts, terms and conditions for better understanding of business responsibilities, including record keeping and reporting obligations.
- Ensure compliance and enforceability settings are clear in policy and contractual framework
- Enforce compliance with business obligations and act decisively on non-compliant businesses
- Strengthen safeguards, such as setting deduction end dates and target amounts
- Enhance information sharing arrangements and cooperation with regulatory bodies
- Broaden business compliance with new themed reviews
- Remove high-risk goods and services



Strengthening business application requirements and process

As part of Centrepay's reform, the business application and onboarding process will be updated to:

- Strengthen eligibility screening and identity verification
- Introduce stronger business and individual character tests
- Tailor requirements based on service reasons which could include greater checking of licences, permits, registrations and or accreditations
- Ensure businesses provide only approved goods and services
- Ensure businesses offer other payment options and do not rely solely on Centrepay