

TARGET MARKET DETERMINATION

Medium Amount Credit Contracts

DATE

The date from which this TMD is effective is 1 January 2023.

INTRODUCTION

This document is intended to comply with our obligations under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019, which requires the determination of a target market for our products, and associated purposes. It will give the consumer assistance in determining whether the product is aimed at them, whilst at the same time allowing us to gauge whether the products are meeting their intended market. This document is called the Target Market Determination, hereinafter referred to as “TMD”.

It is also intended to provide consumers, and where appropriate, distributors with an understanding of the class of consumers for which the product has been designed. It takes into account the objectives, needs and financial situation of those members of the target market.

This TMD is not intended to replace other documents related to the products provided by us which set out the terms and conditions relating to the product upon which we expect you to rely when making a decision about applying for the product, including, and in particular, the contract document which will be sent to you prior to you entering into an agreement with us.

PRODUCT

The product to which the TMD relates is the **Medium Amount Credit Contract** (“MACC”) offered by us, that is, loans in which:-

- the amount borrowed is between \$2,001 and \$5,000 inclusive of all upfront fees, and
- the MACC is able to be secured over any chattel able to be registered under the PPSR system.

These loans are medium amount credit contracts as those terms are defined in the National Consumer Credit Protection Act.

TARGET MARKET

MACCs have been designed for consumers who:

1. are in need of a regulated consumer loan of an amount of between \$2,001.00 and \$5,000.00 including all upfront fees for any legal personal purpose including, but not limited to purchase of a motor vehicle, boat or trailer;
2. can provide adequate security which can be registered under the PPSR system;
3. can repay the loan in an acceptable time, being variously between 12 and 24 months;
4. have an acceptable credit history;
5. need a rapid response to the loan application;
6. are not in financial hardship, and
7. have legal capacity to enter into a loan agreement.

These are regarded as the key attributes of the loan.

CONDITIONS AND RESTRICTIONS ON SUPPLY

We will not supply a MACC to any consumer:

1. who is not of legal capacity (either by age or mental or other disability);
2. who is in financial hardship (or who in our opinion is likely to be so within the foreseeable future);
3. who cannot provide suitable security;
4. who does not presently have the capacity to repay the loan within an acceptable period, being variously between 12 and 24 months, or
5. where the loan, if provided, would not meet the consumer's requirements or objectives, or
6. when the loan is deemed unsuitable for the consumer.

HOW WILL WE KNOW IF THE PRODUCT IS NOT MEETING THE TARGET?

Based on the description of the target market above, we believe that it is unlikely that the product will not meet the target market. Nevertheless, we will continue to monitor the consumers who access the loans to ensure that the majority are within the target market. If they are not, we will review the product and change its key attributes to ensure that the target market is met.

DISTRIBUTION

It is intended that the method of distribution to consumers in one of two ways:

1. Direct.
Distribution by this method will be primarily through our website or our sales team.
All employees involved in this form of distribution are required to undergo training and to ask consumers qualifying questions as part of the application to ensure that borrowers are within the target market set out in this document.
2. Third party distributors.
After entering into appropriate arrangements with third party distributors (including accreditation and training), we will allow those distributors to initiate the supply of our product to consumers.
Those distributors must:

- Be the holder of any necessary licence or authorisation required under the Consumer Credit Protection Act 2009 or any similar legislation,
- Be adequately trained and accredited to our satisfaction;
- Ensure that any application submitted by a distributor complies with all our policies and procedures.
- Maintain adequate records for reporting purposes.

Distributors must report to us as follows:-

Complaints: any complaint received by the distributor in relation to our product or our performance in dealing with the consumer within 10 business days of receiving the complaint. The information to us must include sufficient details to enable us to identify and contact the consumer, and the content of the complaint.

Significant dealings: if the Distributor believes that a significant number of consumers who obtain the product fall outside the target market, details of the significant dealings including the date or date range, and details of the dealing.

REVIEW

We will review this TMD on the occurrence of any of the following triggering events:

- on there being a relevant amendment to National Consumer Credit Protection Act or any associated Act or Regulation which has the effect of significantly altering the rules relating to the provision of MACCs;
- on the occurrence of a “significant dealing”. We will consider whether there has been a significant dealing:
 - where a significant proportion of consumers who take out a MACC are not in the target market;
 - there is actual or potential harm to those consumers who are not in the target market (for example, where a consumer could have obtained a loan at lower cost from a mainstream lender);
 - the extent to which the income gained from those outside the target market is different to those within the target market
 - the period of time over which those outside the target market took out a MACC;
- on the occurrence of any of the following events:
 - the number of complaints in a calendar month to AFCA in relation to total active MACCs (non-settled loans) exceed 0.5%,
 - the number of internal complaints in a calendar month made by consumers in relation to total active MACCs (non-settled loans) exceed 1%
 - the receipt of more than one letter from ASIC or any regulator in relation to the method of the provision of MACCs in any calendar month.
- on or about 1 January 2024.
- if there is no other triggering event, each two years from the last review. A triggering event will require the review to be undertaken within one month.