

# Target Market Determination

## Low Rate Visa Credit Card



**Start Date: 5<sup>th</sup> October 2021**

*Date the determination was made*

**Version: 1.0**

### 1 Product Information

#### Product:

##### Low Rate Visa Credit Card

A credit card facility for personal purposes with an interest rate that tracks the cash rate, published by the Reserve Bank of Australia (cash rate).

#### Product Options:

*The options available for the product*

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#### Associated Products:

*The other facilities included with the product and covered by this determination*

##### BPAY

A non-cash payment facility used to make payment using funds available in the facility on a platform operated by BPAY.

##### Direct Debit

A non-cash payment facility used to make payment to third party merchants using funds available in the facility.

##### Electronic Payment

A non-cash payment facility used to make payment to another Auswide account or an account at another financial institution using funds available in the facility.

### 2 Target Market

#### Target Market:

*Class of consumers that comprise the target market for the product*

#### Consumer

##### Description:

*This describes consumers in the target market*

#### Objectives & Needs

A person who may require a credit card with an interest rate that tracks the cash rate, to make purchases, conduct cash withdrawals or to refinance debt via balance transfer and without access to complimentary insurance.

#### Financial Situation

A person that will have financial capacity to pay fees, interest and repayments as and when such amounts become due and payable.

#### Product Description:

*This describes the product*

A credit card for personal purposes with an interest rate that tracks the cash rate. The key attributes of the product include:

- the ability to access a pre-approved credit limit, in order to make purchases, conduct cash withdrawals or refinance debt through a balance transfer; and
- the requirement to make the minimum payment due, including interest and pay fees.

In general it is only available to consumers that meet standard eligibility criteria.

### Appropriateness

#### Statement:

*This explains why the product is consistent with the likely objectives, financial situation and needs of the target market*

The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of consumers in the target market as described in this determination.

## 3 | Distribution

### Distribution Conditions:

*The conditions and restrictions on the distribution of the product*

#### Marketing and Promotions

*This condition applies to marketing and promotional materials that describe the product*

#### Condition 1

A distributor must only market and promote the product through:

- advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;
- in person recommendations to access marketing material (including in branch communications and through mobile lenders, and through broker and referrer networks); and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is wide.

#### Retail Product Distribution Conduct (other than Marketing and Promotions)

*This condition applies to all conduct (other than marketing and promotions) such as issuing, arranging and providing disclosure material*

#### Condition 2

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) through:

- in person communications (including in branch and through mobile lenders and through broker and referrer networks);
- through the issuer's and other approved third party digital platforms; and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is wide.

#### Condition 3

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) if it has identified the key difference between:

- the product; and
- other credit cards issued by the issuer.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

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### 4 | Review

#### Review Date:

The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.

#### Review Triggers:

*The events and circumstances that would reasonably suggest the determination is no longer appropriate*

The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:

**Material Complaints** material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.

**Financial Difficulty** a significant number of customers experiencing financial difficulty, of which the issuer becomes aware, related directly to the appropriateness of the loan, which the issuer determines may relate to the appropriateness of the determination.

**Product Performance** evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.

**Distributor Feedback** reporting from distributors, or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.

**Substantial Product Change** a substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.

**Significant Dealing** a material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.

**Notification from ASIC** a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.

#### Reporting Information:

*The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period*

A distributor that engages in retail product distribution conduct in respect of this product must provide the following information in writing to the issuer within the times specified below:

**Complaint Information** Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.

The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.

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<b>Financial Difficulty</b>	<p>Information about customers experiencing financial difficulty related directly to the unsuitability of the product of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
<b>Distributor Feedback</b>	<p>Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
<b>Significant Dealing</b>	<p>Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.</p>
<b>Information Requested by Issuer</b>	<p>Information reasonably requested by the issuer.</p> <p>The distributor must provide the information by the date requested by the issuer.</p>

### Reporting Period:

The reporting period for this determination is every 3 months commencing from the Start Date.

### Notes:

*Other information relevant to the distribution of the product*

Nil

## 5 | Document Control

Version	Start Date	Comments
1.0	5 <sup>th</sup> October 2021	Determination commenced as a result of the new DDO Regime.