

## Target Market Determination

**Effective date: 1 October 2023**

This target market determination (TMD) is made by Branded Financial Services Pty Ltd ABN 27 004 013 334, Australian credit licence number 392188 (BFS) in relation to the secured consumer credit loan offered by us (the Product).

This TMD sets out the key attributes of the Product and the class of consumers for whom the Product has been designed, having regard to the objectives, financial situation and needs of consumers within the target market. It also sets out the conditions and restrictions that apply to the distribution of the Product.

This document does not provide a full summary of the terms and conditions of the Product. Please refer to the terms and conditions before making a decision about the Product.

### Target Market

#### **Description of target market, including likely *objectives, financial situation and needs of consumers in the target market***

The features of the Product, including its key attributes, have been assessed as meeting the *likely objectives, financial situation and needs* of consumers who:

- are at least 18 years of age;
- satisfy our eligibility and lending criteria;
- require credit for a term of 1 to 7 years to purchase a vehicle predominately for personal, domestic or household use;
- require the ability to include vehicle accessories, on-road costs, fees, comprehensive insurance, and extended warranties (where accredited) in the loan amount;
- require a fixed interest rate for the loan term to provide certainty in relation to the amount of repayments;
- want a loan that is secured against a vehicle; and
- wish to own the vehicle as soon as the loan has been entered into.

This Product may not meet the *likely objectives, financial situation and needs* of consumers who:

- are under 18 years of age;
- are undischarged bankrupts;
- hold a visa that is not an acceptable type;
- have an unpredictable and inconsistent income source and do not have access to other funds to make payments when income falls;
- want a variable interest rate finance option to purchase a vehicle;
- wish to make extra or additional payments, including repaying a loan early, without incurring fees or charges;
- wish to be able to part with possession or control of the vehicle at any time and whose needs would be better met by a lease or lease style product;
- intend to modify the vehicle in a way that may void any warranty or cause the vehicle to be unroadworthy, illegal or not fully covered by insurance;
- intend to use the vehicle to provide commercial transport services, such as hire-car, or taxi.

Key attributes of the Product	
Interest	Fixed interest rate
Repayments	Principal and interest over the term
Loan amount	We offer loans from \$5,000 to \$400,000
Loan terms	From 1 year to 7 year terms
Loan type	Secured by the financed vehicle  While the consumer owns the financed vehicle from the beginning of the loan, we take a registered security interest over the vehicle. We release the security interest once the loan is repaid full.
Additional repayments	Yes.  However, if this results in you repaying the loan in full before the end of the original agreed loan term, an early termination fee will apply (see below).
Early payout	Early repayment of the loan is permitted subject to payment of an early termination fee. The early termination fee will be calculated in accordance with the credit contract.
Fees and charges	Fees and charges apply. They are set out in the credit contract and include: <ul style="list-style-type: none"> <li>• Establishment fee of \$395, payable on settlement of the loan;</li> <li>• Security registration fee payable on settlement of the loan;</li> <li>• Account keeping fee, payable with your repayments;</li> <li>• Variation fee, payable if you ask us to make changes to the loan; and</li> <li>• Early termination fee of up to \$750, calculated in accordance with the credit contract, where you repay the loan before the end of the loan term.</li> </ul>

## Distribution

The Product may be distributed by BFS directly, or through accredited dealers and accredited brokers subject to the following conditions and restrictions:

- Dealerships must be parties to a Dealer Agreement with BFS and be authorised to distribute the Product.
- Employees of dealerships must be accredited and trained by BFS in order to carry out all their functions, including to distribute this product in accordance with the distribution conditions having regard to the target market of the Product.
- Brokers must be accredited by BFS in order to carry out their functions, including to distribute the Product in accordance with the distribution conditions having regard to the target market.
- All financial advertising and promotional material must either be approved by BFS prior to issue to market, or in line with BFS guidelines.
- The Product may only be distributed if the consumer meets the eligibility criteria for the

Product.

- The consumer must meet BFS's identification, lending and credit criteria for the Product.

These distribution conditions and restrictions are appropriate because these parties will possess the necessary accreditation and training required to direct distribution towards the target market for whom the product has been designed.

#### Information our third party distributors must provide to us

Type of information	Nature of the information	Frequency
Specific Complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 2 business days of receipt of complaint.
General Complaints information	The total number of complaints received in relation to the Product	By the last calendar day of each quarter.
Significant dealings	Date or date range of the distribution of the Product to consumers outside the target market and a description of why the distribution was not consistent with the TMD.	As soon as practicable, and in any case within 10 business days of becoming aware of the distribution of the Product to a consumer outside the target market.

#### Reviews

We will review this TMD periodically and when certain events occur, as detailed below.

<b>Initial review</b>	We will complete a review of this TMD within 12 months of the date of this TMD.
<b>Periodic reviews</b>	We will complete a review of this TMD annually.
<b>Review triggers or events</b>	We will complete a review this TMD within 10 business days of becoming aware of any of the following events or circumstances: <ul style="list-style-type: none"><li>• We propose to make a material change to the key attributes or terms of the Product.</li><li>• We propose to add a new category of distributor or change the conditions or restrictions that apply to distribution of the Product by existing distributors.</li><li>• There is a significant dealing in the Product outside the target market.</li><li>• The distribution conditions and restrictions are found to be inadequate in ensuring that the Product is only distributed to consumers who are likely to be in the target market.</li><li>• There is a change in the law or regulator guidance that materially affects the Product.</li><li>• We receive feedback, information or notification from a distributor, regulatory body such as ASIC, or other interested parties.</li></ul>

	<ul style="list-style-type: none"><li>• There is an increase in the number of complaints in relation to the Product over a calendar month that exceeds our internal thresholds.</li><li>• There is an increase in the number of late customer payments or defaults on payments in relation to the Product that exceeds our internal thresholds.</li><li>• Any other event occurs, or information is received, that reasonably suggests this TMD is no longer appropriate.</li></ul>
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