

Suncorp Bank PayLater



Target Market Determination (TMD)

Suncorp Bank PayLater

Issued by Suncorp-Metway Ltd ABN 66 010 831 722; Australian Credit Licence 229882; Australian Financial Services Licence 229882 (**Suncorp Bank**).

What is a Target Market Determination?

A Target Market Determination (**TMD**) is a determination that Suncorp Bank has made to:

- describe the class of customers this product has been designed for;
- specify product distribution conditions;
- specify review periods and triggers; and
- set out reporting requirements.

A TMD is not a product disclosure statement and is not a full summary of the product features or the terms of the product. It is not intended to be a customer disclosure document and does not take into account any person's individual objectives, financial situation or needs.

If you are interested in acquiring this product, please carefully read the Suncorp Bank PayLater Terms and Conditions, and the Suncorp Bank Personal Deposits Accounts Product Information Document before making a decision. Fees, charges, terms and conditions apply. This information is available on request.

What is Suncorp Bank PayLater?

Suncorp Bank PayLater (**PayLater**) is a buy-now pay-later product. It bundles together a credit facility account that can be accessed with an associated Visa Debit card.

The product allows purchases to be paid off in 4 equal instalments and allows purchases to be made in store and online at Australian and overseas merchants that accept Visa.

What are the Key Attributes of Suncorp Bank PayLater?

PayLater has the following Key Attributes:

- \$1,000 spend limit with a maximum of 15 purchases with payment schedules outstanding
- Purchases are divided into four equal repayment amounts in accordance with the payment schedule below:

Payment Schedule for each Purchase	1st Payment	— 25% of purchase price — Payable at the time of purchase
	2nd Payment	— 25% of purchase price — Payable 2 weeks after purchase
	3rd Payment	— 25% of purchase price — Payable 4 weeks after purchase
	4th and final Payment	— 25% of purchase price or, if it doesn't split exactly 4 ways, the balance owing — Payable 6 weeks after purchase

- No interest payable, no ongoing monthly account keeping fees, and no Suncorp Bank transaction fees, but missed payments incur a late fee of \$10 (which is capped to one fee chargeable per purchase).
- Customers can amend the day of the week a repayment is due by up to six days.
- Make repayments from a linked eligible Everyday Options (EDO) account. A separate Target Market Determination applies for the EDO and is available on our website.

- Account is locked if payment is missed
- Minimum purchase amount of \$50
- Access via Visa Debit card
- Cannot be used at certain restricted merchants (e.g. gambling)

Who is the Target Market for Suncorp Bank PayLater?

The Target Market for the bundled product is the class of customers who meet all criteria outlined below.

Section 1 - Type of Customer	<p>A customer who is:</p> <ul style="list-style-type: none"> – an individual using the product for a personal (e.g. non-business) use; and – an Australian citizen or an Australian permanent resident. <p>A customer who is in the following life stage:</p> <ul style="list-style-type: none"> – adult aged 18 and over.
Section 2 - Objectives and Needs	<p>A customer with all of the following short-term and long-term objectives:</p> <ul style="list-style-type: none"> – assist with small purchases – budget money by having interest free credit, and – smoothing spending for money management. <p>A customer with any one or more of the following needs:</p> <ul style="list-style-type: none"> – restrictions to ensure debt is manageable – to pay the debt off in a structured way, as opposed to minimum repayment amounts – widely accepted payment method – a limited variety of access and use methods – flexibility in making payments, and/or – low/no fees.
Section 3 - Financial Situation	<p>Customers must have an ongoing income from any source. Customers must meet Suncorp Bank's PayLater credit assessment criteria. Customers cannot be in financial hardship at the time of application.</p>
Section 4 - Dependencies	<p>Customers will need to have an eligible Suncorp Everyday Options Account to link to the Suncorp Bank PayLater product for repayments.</p>
Section 5 - Excluded Customers	<p>This product is not suitable for Customers:</p> <ul style="list-style-type: none"> – younger than 18 years old – who are not individuals – who currently, or may in the future, be unable to repay an amount up to \$1,000 over a 6 week period – who currently have an approved hardship application with Suncorp Bank – who require a large spending limit (greater than \$1,000) – who require a product that provides repayment options beyond 6 weeks – who require a fee free product – who do not have an Australian residential address, and are not: <ul style="list-style-type: none"> – an Australian citizen, or – an Australian permanent resident – who have irregular, variable or no income – with a history of unsatisfactory credit, as indicated by credit bureaus, or does not meet Suncorp Bank's PayLater credit assessment criteria – whose identity is unable to be verified to the satisfaction of Suncorp Bank – with indicators of credit vulnerability including a history of recent credit enquiries – that require a standalone credit product and do not wish to hold an eligible linked Suncorp Bank Everyday Options account – who want to make repayments from an account other than the linked Everyday Options account.
Explanation	<p>The Suncorp Bank PayLater product is likely to be consistent with the objectives, financial situation and needs of the class of customers in the target market because:</p> <ul style="list-style-type: none"> – A minimum purchase amount of \$50 but a maximum of \$1000 is consistent with customers wanting assistance with small purchases; – spreading the payment of purchases fortnightly over six weeks is consistent with customers needing to pay the debt off in a structured way and to assist with smoothing spending for money management; – this product has flexibility to allow customers to adjust the payment day by up to six days; – no account keeping fees, no card usage fees (e.g. foreign exchange fees), 0% interest on purchases and a late fee capped per purchase at \$10.00 (not per missed repayment) is consistent with customers who want low/no fees and interest free credit to budget their money; – a spend limit of \$1000 or a maximum of 15 purchases with a payment schedule outstanding, the locking of the account when a payment is late (to prevent further purchases adding to the debt) and restrictions on businesses the Card can be used at, are consistent with customers needing restrictions on the credit and its use to ensure the debt is manageable; – having a Visa Debit Card (both physical and digital) is consistent with customers wanting a widely accepted payment method. <p>Suncorp Bank have formed this view with support from consumer testing and research in the process of developing the Suncorp Bank PayLater product.</p>

What conditions/restrictions are there on how the Suncorp Bank PayLater product is distributed?

The Product can only be distributed directly by Suncorp Bank with the following conditions/restrictions:

Channel	Distribution Conditions/Restrictions
Digitally online at www.suncorp.com.au , via Suncorp Bank Internet Banking or through the Suncorp Bank App.	<ul style="list-style-type: none">— Where the customer must follow a product selection journey and application process designed to direct products to consumers who are likely within the target market.— All applications must meet credit assessment requirements.— All marketing must be consistent with this TMD.

We have determined that the distribution conditions and restrictions will make it likely that customers who acquire the Suncorp Bank PayLater product are in the target market because they are supported by reasonably appropriate platform controls including an application process to avoid and minimise the risk of likely customer harm if the product is distributed outside of its target market.

When will this TMD be reviewed?

This TMD is effective from 06 November 2023 and will be periodically reviewed at least every 12 months. The next TMD review is due by 06 November 2024. We will also review this TMD if, in Suncorp Bank's view, any of the following review trigger events occur:

Review Triggers

- Where there is a material change to Buy Now Pay Later regulation
- Where there is a material change to the PayLater product design and strategy, attributes and/or terms and conditions
- Where an unexpected increase of 20% or more in the number of account openings occur in three consecutive months
- Where there has been an unforeseen increase of 20% or greater in total complaints received in three consecutive months when compared to the previous three months
- Where there has been an unexpected increase of 20% in overdue accounts in three consecutive months when compared to the previous three months
- Where there has been an unexpected increase in hardship claims for this product in three consecutive months
- Where there is significant dealing outside the target market
- Where the distribution conditions have, in Suncorp Bank's view, been found to be inadequate

An earlier review will also be conducted when other events or circumstances reasonably suggest that the TMD is no longer appropriate.

What information will the bank review?

Internal sources

To monitor the review triggers, Suncorp Bank will review the following information every month from internal sources:

- product and distribution monitoring metrics including complaints information, customer feedback, number of applications received, accounts opened and transaction data;
- proportion of customers who are not in the target market who have acquired the product during the reporting period;
- fee income (including late payment fees) received by Suncorp Bank;
- hardship claims;
- material changes to product documentation;
- material changes to regulation or law which govern this product.