

# Target Market Determination

**Product:** Consumer Car Loan

**Issuer:** Credabl Pty Ltd ACN 615 968 100 trading as Credabl (ACL 499547)

In this document the terms “**Credabl**”, “**we**”, “**us**” or “**our**” refers to Credabl Pty Ltd.

**Date of Issue:** 5 October 2021

## TARGET MARKET

- 1.1 This Target Market Determination (TMD) sets out the target market for our Car Loan product.
- 1.2 The target market is medical professionals, dental professionals, veterinary professionals, allied healthcare professionals and other suppliers, vendors and employees within the healthcare sector (Healthcare Professionals).
- 1.3 We have designed this product to help Healthcare Professionals get finance for a vehicle.
- 1.4 The key features of this product are flexible payment terms, no deposit required, no minimum loan amount and fixed interest and repayments.<sup>1</sup>
- 1.5 This product is suitable for Healthcare Professionals who:
  - (a) are seeking finance for a new or used vehicle through a lease, chattel mortgage, novated lease or hire purchase;
  - (b) wants to purchase a vehicle from a dealership or through private sale; and
  - (c) wants to claim Goods and Services Tax in their purchase.
- 1.6 Whilst this product has been designed for Healthcare Professionals, we may consider consumers from outside the healthcare industry who have been referred to us by our clients.
- 1.7 We will make reasonable enquiries about the client's requirements and objectives. However, we recommend the client consider whether their objectives and requirements align with the features and suitability of the product.<sup>2</sup>
- 1.8 We will also make reasonable enquiries about the client's financial situation. To assess whether the loan is affordable to the client, we will consider the client's income or benefits, living expenses, other debts, credit history, specific life events, temporary difficulties and any information that will assist us to understand the client's full financial position.<sup>3</sup>
- 1.9 The Car Loan product is subject to our Responsible Lending Policy.

<sup>1</sup> RG 274.76 and RG 274.68(b) of the Product Design and Distribution Obligations. <sup>2</sup> RG 274.76 of the Product Design and Distribution Obligations. <sup>3</sup> RG 274.47(b) of the Product Design and Distribution Obligations.

## DISTRIBUTION CONDITIONS

- 2.1 We have placed conditions and restrictions on the distribution of the product to ensure it is distributed to consumers within the target market.<sup>4</sup>
- 2.2 We have designed the product to be distributed by our Consultants via:
- (a) our website [www.credabl.com.au](http://www.credabl.com.au);
  - (b) our Australia wide contact centre; and
  - (c) contacting our Consultants directly.
- 2.3 We are currently not engaging brokers or introducers to distribute the product.
- 2.4 To further ensure the product is distributed to consumers within the target market, we have: <sup>5</sup>
- (a) implemented targeted advertisement;
  - (b) provided specific content about the product on our website;
  - (c) ensured our Consultants are adequately trained.
- 2.5 We are ensuring the product is being distributed in the target market through adequate supervision and monitoring of the product distribution through our internal register and record-keeping systems.<sup>6</sup>

### Conflict of Interest

- 2.6 We have taken steps to ensure that our remuneration and incentive structures for the product do not result in distribution that is inconsistent with this TMD.<sup>7</sup>
- 2.7 From time to time, as employees within the healthcare sector, our employees are offered this product.
- 2.8 If we become aware that the distribution conditions are inadequate, where for example, significant distribution is occurring outside the target market, we will:
- (a) amend this TMD to set out additional distribution conditions to ensure that such event does not occur; or
  - (b) cease distribution of this product.<sup>8</sup>

<sup>4</sup> RG 274.96 of the Product Design and Distribution Obligations; Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 s 994B(5)(c). <sup>5</sup> RG 274.146 (Table 4) of the Product Design and Distribution Obligations. <sup>6</sup> RG 274.146 (Table 4) of the Product Design and Distribution Obligations. <sup>7</sup> RG 274.146 (Table 4) of the Product Design and Distribution Obligations. <sup>8</sup> RG 274.99 of the Product Design and Distribution Obligations.

## REVIEW TRIGGERS

- 3.1 There may be events and circumstances (called 'review triggers') that would reasonably suggest that this TMD is no longer appropriate such as: <sup>9</sup>
- (a) we receive a high number of applicants from outside the target market;
  - (b) we make a material change to our business strategy;
  - (c) we make a material change to this product;
  - (d) we make a business acquisition that materially affects this product;
  - (e) we notice a significant increase in events of default;<sup>10</sup>
  - (f) we introduce promotional features that materially changes this product;<sup>11</sup>
  - (g) internal complaints or notice of complaints made to Australian Financial Complaints Authority;<sup>12</sup>
  - (h) the nature and number of complaints and complaint trends.<sup>13</sup>
- 3.2 We will review this TMD within 10 business days if we know or reasonably know, that a review trigger has occurred.<sup>14</sup>
- 3.3 We will also notify the Australian Securities and Investments Commission within 10 business days of us becoming aware of a significant dealing in this product that is not consistent with this TMD.<sup>15</sup>

## REVIEW PERIODS

- 4.1 We will review this TMD on 5 October 2022 to ensure it remains appropriate. Subsequent periodic reviews will occur annually.<sup>16</sup>
- 4.2 We will also review this TMD in response to any other events or circumstances that would reasonably suggest that this TMD is no longer appropriate.<sup>17</sup>
- 4.3 Where we become aware of information that would reasonably suggest that this TMD is no longer appropriate, we will stop issuing this product until we have had the chance to review the product along with this TMD.<sup>18</sup>
- 4.4 We will integrate the review process into our product governance arrangements, and controls will be put in place to ensure that meaningful reviews take place.<sup>19</sup> Possible outcomes from the review process include:
- (a) no change to the way this product is distributed;<sup>22</sup>
  - (b) changing the product design, target market or distribution;<sup>21</sup> or
  - (c) ceasing to distribute this product.<sup>22</sup>

<sup>9</sup> RG 274.102 of the Product Design and Distribution Obligations; Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 s 994B(5)(d). <sup>10</sup> RG 274.103(a) of the Product Design and Distribution Obligations. <sup>11</sup> RG 274.151 (Example 14) of the Product Design and Distribution Obligations. <sup>12</sup> RG 274.104(c) of the Product Design and Distribution Obligations.

<sup>13</sup> Derived from RG 274.107 (Example 6) of the Product Design and Distribution Obligations. <sup>14</sup> Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 s 994C(3). <sup>15</sup> RG 274.157 of the Product Design and Distribution Obligations; Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 s 994F(6); RG 274.159 contains the relevant factors that will assist Credabl to determine whether a significant dealing has occurred. <sup>16</sup> RG 274.108 of the Product Design and Distribution Obligations. <sup>17</sup> RG 274.148 of the Product Design and Distribution Obligations. <sup>18</sup> RG 274.153 of the Product Design and Distribution Obligations. <sup>19</sup> RG 274.150 of the Product Design and Distribution Obligations. <sup>19</sup> RG 274.150(a) of the Product Design and Distribution Obligations. <sup>20</sup> RG 274.150(b) of the Product Design and Distribution Obligations. <sup>21</sup> RG 274.150(c) of the Product Design and Distribution Obligations.