



## Target Market Determination

### What is a Target Market Determination?

It's a document that describes the type of customer for which the product is designed (target market), and conditions and circumstances for how the product can be distributed and when it needs to be reviewed.

### Why does 1st Choice NOW need to have Target Market Determinations?

1st Choice NOW is required to have Target Market Determinations under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019. This Act sets out obligations to ensure a customer-centric approach to designing, marketing and distributing financial products.

#### 1. About this document

This target market determination (TMD) seeks to provide an understanding of the class of consumers for which our products and services are provided having regard to the objectives, financial situation and needs of our target market.

This TMD should not be treated as a summary of the terms and conditions of our products and services and is not intended to provide financial advice. Consumers must refer to the relevant terms and conditions when deciding about our products and services.

This TMD applies to the 1st Choice Enterprises Pty Ltd (T/A 1st Choice NOW) Line of Credit referred to in the following Terms and Conditions:

#### [1st Choice Enterprises Pty Ltd Terms and Conditions](#)

**This TMD is effective from 5 June 2023**

#### 2. Class of consumers that is the Target Market

The information below is a summary of the overall class of consumers that is 1st Choice NOW's Target Market based on the product key attributes and the objectives, financial situation and needs of the Target Market with respect to which 1st Choice Enterprises Line of Credit as a product was designed for.

This Line of Credit has been designed for consumers whose likely objectives, financial situation, and needs (as listed below) are aligned with the product (including the key attributes). The class of consumers that this Line of Credit is designed for is:

- A consumer who for personal or financial reasons may not be able to or is unable or unwilling to acquire goods or services by paying for these goods or services outright and whose objectives are to acquire goods or services supplied by 1st Choice NOW by paying instalments on weekly, fortnightly, monthly, or other agreed periodic payment basis;
- The goods or services being acquired are used predominantly for domestic household purposes;

- The consumer is applying for, and obtaining a Line of Credit that is solely used for the purchasing of goods and/or services supplied by 1st Choice NOW;
- The consumer is assessed and approved under the 1st Choice NOW policies and procedures and its terms and conditions.

## **Product description and key attributes**

### ***Key eligibility requirements and attributes of 1st Choice NOW's Line of Credit are:***

- an Applicant must reside in Australia, be at least 18 years of age, have a consistent, ongoing and verifiable income, provide identification that is verifiable;
- meet 1st Choice NOW's lending criteria including providing information and substantiation of their financial situation, income and expenses as well as objectives (responsible lending obligations) and agree to the Line of Credit terms and conditions;
- that an Applicant will establish a line of credit with a maximum credit limit to be used to purchase goods and services where 1st Choice NOW is the supplier, and pay instalments with a fixed rate over a fixed term by BPOINT or other payment method accepted in the terms and conditions;
- the available credit limit can be used for additional purchases that is within the credit limit or as the debt is reduced;
- interest is charged on the total purchase price of goods and services obtained in the Line of Credit Schedule and Agreement for a fixed term with additional fees and charges limited to dishonour payment fees, early termination penalties and enforcement expenses;
- if the consumer does not use the line of credit, the consumer will not be charged;
- a security (mortgage) is taken over the acquired goods as prescribed by the National Consumer Credit Protection Act 2009 (Cth) and or registers under the Personal Property Securities Act 2009 (Cth).

## **Objectives, financial situation, and needs**

This product has been designed for individual consumers who for personal and/or financial reasons are unable or unwilling to acquire goods and services by paying for them outright:

- need credit to obtain those goods and services;
- have the objective to access a line of credit to obtain goods and services now, in the future or reuse as the debt is reduced and pay instalments over a fixed term at a fixed interest rate;
- are able to pay the instalment amount over their chosen periodical period based on the assessment of their financial situation that we complete, and the Applicant agrees with, to establish the line of credit with 1st Choice NOW; and,
- are agreeable to provide security in the goods by way of mortgage

## **Consistency between target market and the product**

This product is likely to be consistent with the objectives, financial situation and needs of the class of consumer in the Target Market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers.

## **3. How this product is to be distributed**

### ***Distribution channels***

The product and services are designed to be distributed through the following means:

- Online
- Through our contact call centre
- Through our physical locations/branches

## ***Distribution conditions***

1st Choice NOW should only be provided to individuals that meet eligibility requirements, have the appropriate borrowing capacity, and in accordance with the credit criteria.

## **Adequacy of distribution conditions and restrictions**

The distribution channels and the product attributes and terms and conditions will ensure that consumers who obtain line of credit through 1st Choice NOW are the designated class of consumers for which it has been designed. This is based on an assessment of the distribution channels, product attributes and terms and conditions and restrictions and the assessment that they are appropriate and will assist the distribution being directed towards the target market.

## **4. Reviewing this TMD**

### ***Periodic reviews***

We will review this TMD within 6 months of the Effective Date and then annually or as required.

### ***Review triggers***

Any event or circumstances that arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):

- A material change to the design and distribution of the product, including related documentation;
- Occurrence of a significant dealing;
- Distribution conditions found to be inadequate;
- External events such as adverse media coverage or regulatory attention;
- Changes in regulatory environment;
- Customer feedback; and
- Significant changes in metrics, but not limited to, customer queries, complaints, defaults and terminations.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

## **5. Reporting and monitoring this TMD**

We may collect the following information from our distributors in relation to this TMD.

### ***Complaints***

Distributors will report all complaints in relation to the product(s) covered by this TMD on a quarterly basis. This will include written details of the complaints.

### ***Significant dealings***

Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.



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