

Cars on Terms

Helping People to Own a Car!

TARGET MARKET DETERMINATION

Personal Loan Contracts

5th October, 2021

INTRODUCTION

This document is intended to comply with our obligations under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019, which requires the determination of a target market for our products, and associated purposes. It will give the consumer assistance in determining whether the product is aimed at them, whilst at the same time allowing us to gauge whether the products are meeting their intended market. This document is called the Target Market Determination, hereinafter referred to as "TMD".

It is also intended to provide consumers, and where appropriate, distributors with an understanding of the class of consumers for which the product has been designed. It takes into account the objectives, needs and financial situation of those members of the target market.

This TMD is not intended to replace other documents related to the products provided by us which set out the terms and conditions relating to the product upon which we expect you to rely when making a decision about applying for the product, including, and in particular, the contract document which will be sent to you prior to you entering into an agreement with us.

PRODUCT

The product to which the TMD relates is the **Personal Loan Contract** ("personal loan") offered by us, that is, loans in which:-

- the amount borrowed is between \$2,001 and \$20,000.00, and
- the personal loan is to assist in the purchase of a motor vehicle from us, and
- can be secured over the vehicle purchased, registered under the PPSR system.

These loans are not small amount credit contracts or medium amount credit contract as those terms are defined in the National Consumer Credit Protection Act.

TARGET MARKET

Personal Loan Contracts have been designed for consumers who:

1. are in need of a regulated consumer loan of an amount of between \$4,000.00 and \$12,000.00 to assist in the *purchase of a motor vehicle from us*;
2. can repay the loan in an acceptable time, being variously between 12 and 96 months;
3. can offer us security over the vehicle purchased to be registered under the PPSR system;
4. need a rapid response to the loan application;
5. are not in financial hardship, and
6. have legal capacity to enter into a loan agreement.

These are regarded as the key attributes of the loan.

CONDITIONS AND RESTRICTIONS ON SUPPLY

We will not supply a personal loan to any consumer:

1. who does not intend to buy a motor vehicle from us;
2. who is not of legal capacity (either by age or mental or other disability);
3. Lives outside South-east Qld
4. Who does not have at least a provisional License
5. who is in financial hardship (or who in our opinion is likely to be so within the foreseeable future);
6. who does not presently have the capacity to repay the loan within an acceptable period, being variously between 12 and 96 months, or
7. where the loan, if provided, would not meet the consumer's requirements or objectives.

HOW WILL WE KNOW IF THE PRODUCT IS NOT MEETING THE TARGET?

Based on the description of the target market above, we believe that it is unlikely that the product will not meet the target market. Nevertheless, we will maintain a watch on the consumers who access the loans to ensure that the majority are within the target market. If they are not, we will review the product and change its key attributes to ensure that the target market is met.

DISTRIBUTION

It is intended that the sole method of distribution to consumers will be by us, as the credit provider, alone. Access will primarily be by way of our website or by making direct contact with us. We do not have authorised representatives, or agents for the purposes of distribution.

REVIEW

We will review this TMD on the occurrence of any of the following triggering events

- on there being a relevant amendment to National Consumer Credit Protection Act or any associated Act or Regulation which has the effect of significantly altering the rules relating to the provision of personal loans;
- on the occurrence of a “significant dealing”. We will consider whether there has been a significant dealing:
 - where a significant proportion of consumers who take out a personal loan are not in the target market;
 - there is actual or potential harm to those consumers who are NOT in the target market (for example, where a consumer could have obtained a loan at lower cost from a mainstream lender);
 - the extent to which the income gained from those outside the target market is different to those within the target market
 - the period of time over which those outside the target market took out personal loans;
- on the occurrence of any of the following events:
 - the number of complaints to AFCA in relation to personal loans exceeding 1% of the number of personal loans in any calendar month,
 - the number of internal complaints made by consumers in relation to personal loans exceeding 2% of the number of personal loans in any calendar month,
 - the receipt of more than 1 letters from ASIC or any regulator in relation to the method of the provision of Private Loans in any calendar month.
- on or about 5 October 2022, being the first anniversary of the TMD
- if there is no other triggering event, each two years from the last review.

A triggering event will require the review to be undertaken within one month.

REPORTING

As noted above, we do not use distributors in the provision of [Private Loans](#) to consumers. As a result, whilst the law requires a TMD to set out what information must be provided by

distributors to us, in our view, this is not necessary. The TMD will be revisited if we commence distribution through a distribution network.

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