

Target Market Determination

Personal Loan: Car Loan



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Product

Personal Loan: Car Loan

351 – New Car Loan

352 – Used Car Loan

Issuer

Bank Australia Limited | ABN 21 087 651 607 |
AFSL/Australian Credit Licence Number 238431

Date of TMD

5 Oct 2021

Target market

Description of target market

Retail clients who:

- are a permanent resident of Australia or hold a relevant work visa
- are seeking a loan for to;
 - purchase a new or used vehicle purchase up to 7 years of age
 - purchase a new or used motorbike purchase (road registered) up to 7 years of age
 - refinance where original loan purpose was for purchase
- are aged 18 years or more and meet the credit assessment criteria for the product
- are able and willing to offer vehicle as security for the loan, and Security interest noted on the Personal Property Securities Register (PPSR)
- need the certainty of a fixed interest rate and fixed repayments for the term of the loan
- need the flexibility to make additional repayments
- want to take advantage of a rate discount available for Low Emission Vehicles (LEV)

Description of product, including key attributes

This is a secured fixed rate personal loan. The key attributes are:

- Loan amounts from \$1,000
- Maximum loan amount 100% of vehicle purchase price
- Loan terms of up to:
 - 7 year maximum for new
 - 5 year maximum for used
- Fixed interest rate
- Repayment frequency can be weekly, fortnightly or monthly
- Able to make additional repayments without incurring a break cost fee
- Unable to make redraws of advance payments
- Acceptable security for the loan must be provided
- Security interest noted on the Personal Property Securities Register (PPSR)
- A discounted interest rate applies for vehicles that meet the Low Emissions Vehicle definition)
- Establishment fee applicable. Note: If vehicle meets the Low Emissions Vehicle definition, no establishment fee applies

For further information refer to Disclosures <https://www.bankaustralia.com.au/> for:

- Product terms and conditions
- Product fees and rates

Distribution conditions

This product is distributed by the issuer through the following channels:

- Call centres
- Online
- Branches

Distribution conditions for this product include:

- ensuring that retail clients meet the eligibility requirements for the product
- ensuring that distribution is by appropriately trained staff
- online distribution set-up guides applicant to select right loan for their needs

There are no other distributors for this product.

How the distribution channels will enable the product to reach consumers in the target market:

- the main focus of call centre and online staff is to provide product support and information by telephone and occasionally by mail, fax or email
- staff are appropriately trained and accredited
- all applications regardless of channel go through an assessment process

Review triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate are:

- a significant dealing of the product to retail clients outside the target market occurs
- a significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate
- a material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate

The *Product Governance Framework* includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG 274.

Review periods

First review date: 5 Oct 2022

Periodic reviews: Annually

Distribution information reporting requirements

The following information must be provided to Bank Australia by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Complaints	Number of complaints	Monthly
Sales outside the target market – Purpose Code	Number of sales \$ value of sales	Monthly
Sales inside the target market – Purpose Code	Number of sales \$ value of sales	Monthly