

Target Market Determination

Issuer: Devizo Finance Pty Ltd ABN 21 622 104 527 through its agent, Payright Limited

ABN: 24 605 753 535 (Payright)

Product: Buy-Now Pay-Later Consumer Credit Product (Payright BNPL Product)

Effective Date: 9 June 2023

1. About this document

This target market determination (TMD) has been prepared to assist consumers, distributors and staff to understand the target market for the Payright BNPL Product.

It also provides information on:

- Who the product is and is not suitable for
- How the product will be distributed to our customers;
- How often we will review this TMD and when the next review will be;
- The events and circumstances that could mean we need to review whether this TMD is still appropriate; and
- The information we would need in order to decide that this TMD is no longer appropriate.

This document is not to be treated as a full summary of the Payright BNPL Product's terms and conditions and is not intended to provide any financial advice. Consumers must refer to the Customer Terms and Conditions, their application and any other information which outline the relevant terms and conditions of the product when making a decision about this product.

Terms and Conditions to which this target market determination applies

This TMD applies to the Payright BNPL Product referred to in the Payright Consumer Terms and Conditions which are available at <http://www.payright.com.au/terms-and-conditions>

2. What is the Payright BNPL Product?

The Payright BNPL Product is a continuing credit contract that can be used to purchase products or services from Payright accredited Merchants.

The key product attributes of the Payright BNPL Product are:

- Available for purchases from Payright Merchants only, up to \$20,000 and can be repaid over terms ranging from 2 months to 5 years depending on the value of the purchase, the customer's preferences and merchant preferences;
- No interest is charged ever;
- Customer fees for providing the credit are payable but capped at \$200 in the first year and \$125 each subsequent year that the customer holds the product and is repaying the credit advanced.
- Late fees are payable if payments are missed but these are also capped at the lower of 10% of the customer approved credit limit or \$250 per annum

3. Who is the target market?

Who is the product suitable for?

The Payright BNPL Product is suitable for consumers who have the following needs, objectives or financial circumstances:

- Are looking to spread the cost of purchases over time with repayments that are flexible and budget appropriate
- seeking simple, easily accessible, controlled and affordable credit options;
- are looking for a continuing credit contract to be used for purchases up to \$20,000;
- who want an affordable credit product that has regular and fixed repayment obligations, capped fees and does not charge interest;
- who have sufficient income to be able to afford credit at the level requested;
- are not experiencing circumstances of personal, lifestyle or financial vulnerability to an extent that would prevent or make it very difficult to meet the repayment obligations of the BNPL Product.

The key eligibility requirements of this Payright BNPL Product are:

- Customers must be at least 18 years of age and holders of Australian drivers' licence, passport or other Australian Government issued identity documentation as accepted by Payright and from which the customer's identity can be verified. Individuals must have a verifiable email address and Australian mobile number and have a source of income.

The key product attributes of the Payright BNPL Product are:

- Only available in connection with the purchase of goods or services from an accredited Payright Merchant;
- Credit limits up to \$20,000;

- Continuing credit contract such that as and when repayments are made, the available credit amount increases relative to the amount repaid, up to the original credit limit amount provided the customer can demonstrate appropriate repayment history. Any application for a subsequent credit advance must meet Payright's applicable credit decisioning criteria;
- Repayment terms between 2 months to 5 years depending on the value of the purchase, the customer's preference and assessed affordability, and merchant preferences;
- Regular and consistent repayment obligations with a defined start and end date to provide certainty and peace of mind;
- No interest charged ever;
- Capped customer fees – the fees for providing the credit are capped at \$200 for year 1 and \$125 each subsequent year (these fee caps do not include late fees); and.
- Late payment fees capped at the lower of 10% of the customer approved credit limit or \$250 per annum.

These key product attributes align to the identified consumer wants and needs and in particular, the Payright BNPL product has been developed to provide a solution for customers seeking to pay for their purchases over time with flexible repayment options that are budget appropriate.

Who is this product not suitable for?

- The Payright BNPL Product has not been designed for and is not suitable for individuals who:
- Want a product that provides access to cash or a physical card to make purchases;
- Have no source of income and/or who do not have sufficient disposable income to meet their regular repayment obligations;
- Require credit in an amount higher than \$20,000;
- Require credit for a period of less than 2 months or more than 5 years;
- Want to make a purchase in the name of a business entity for business related purposes (other than as a sole trader)
- Are looking to make purchases which are illegal or for an illegal purpose;
- Are looking to make purchases of gambling and betting products or services or purchases of weapons or firearms or related products and services;

4. How is this product distributed?

Distribution channels

The Payright BNPL Product is designed to be distributed through the following channels:

- Via Payright Merchants according to their standard sales processes (including in store, face-to-face, over the phone or through their on-line check-out)
- Via the Payright App,

Distribution conditions and why they are appropriate

The Payright BNPL Product is subject to all of the following distribution conditions:

- For purchases, the Payright BNPL Product:
 - Can only be distributed via Payright Merchants and to customers purchasing the Merchant’s goods and services. This allows Payright to direct the distribution of its product to customers of Payright Merchants whom it believes meet the description of the Payright Target Market. Payright selects its merchants carefully before accrediting them. The Payright BNPL product is distributed via Payright Merchants who are appropriately trained and supported by Payright to ensure the Payright product is sold appropriately and in line with consumer needs.
 - All applications for the Payright BNPL Product must be made by the customer to Payright either independently by the customer via the Payright App, the merchants ecommerce online checkout or the Payright application portal (directly by the customer or by the customer with assistance from the merchant).

Application data submitted by the customer is then assessed by Payright according to its credit decisioning logic to determine whether the data supplied by the customer meets the eligibility requirements of Payright’s Target Market.

This method of distribution enables Payright to control the application process and direct the distribution of its product to people who are seeking an amount of credit to support their purchase from a Payright Merchant and whose application data indicates they can meet the required repayment terms and that they fall within the Payright Target Market for its BNPL Product.

5. Reviewing this target market determination

Payright will review this TMD in accordance with the below:

Initial review	Within 12 months of the effective date.
Periodic reviews	At least annually unless a review trigger or event necessitates a more frequent review.
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation such as fees, repayment terms, eligibility criteria, loan amount; • occurrence of a significant dealing (e.g. a material (as defined by reference to Payright’s Risk Management Framework) increase in the volume or nature of complaints that subsists for a period of 3 or more consecutive months); • distribution conditions found to be inadequate through a material (as defined by reference to Payright’s Risk Management Framework) increase in customer decline rates, customer complaints, increase in hardship applications, collections activity, write-offs or account closures that subsist for a period of 3 or more consecutive months and that reasonably suggest that aspects of the TMD may no longer be appropriate;

	<ul style="list-style-type: none"> • any change in law, regulatory guidance or industry practice that may impact this TMD; • external events such as adverse media coverage or regulatory attention; • any other circumstances Payright may reasonably determine to be a review trigger.
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Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

6. Reporting and monitoring this target market determination

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

Complaints	<p>Distributors are required to report information about any complaints made to them about the Payright BNPL Product to Payright (including but not limited to):</p> <ul style="list-style-type: none"> • Number of complaints; • Nature of complaints; • Dates and circumstances surrounding the complaints. <p>Payright’s Distributors must direct all customers who wish to complain about the Payright BNPL Product to complain directly to Payright. Payright will then respond to all complaints received from customers in accordance with the Payright Complaints Policy. Distributors are not permitted to respond to or manage any complaints about the Payright BNPL Product directly. Payright will manage and respond to all complaints made by customers and liaise with the Distributors as required.</p>
Significant dealings	<p>Distributors are required to report to Payright if they become aware of a significant dealing occurring in relation to this TMD within 10 business days. A significant dealing may include:</p> <ul style="list-style-type: none"> • Significant distribution of the Payright BNPL Product outside the TMD. For example due to falsified application data, merchant or applicant fraud; • Becoming aware of a material and sustained (for a period of 3 or more consecutive months) increase in the volume of complaints concerning the Payright BNPL Product or its distribution.
Other information required	<p>In addition to the information above, distributors will:</p> <ul style="list-style-type: none"> • provide any other information reasonably requested by Payright from time to time; and • annually attest to Payright that they have been distributing the Payright BNPL Product in accordance with the terms of this TMD, any application distribution agreement and any training, directions or communications provided by Payright during the reporting period.