

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: 05 October 2021

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 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 pay bills or make purchases.

The key product attributes of the Payright BNPL Product are:

- Available for purchases ranging from \$1 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;
- Available to pay for bills for up to \$1,000 and is repayable over 3 months;
- No interest is charged ever;
- Customer fees are payable.

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 budget conscious and seeking a simple, easily accessible, controlled and affordable credit options for purchases to support and enhance their and their families' lives and lifestyles with flexible repayment options that are both sustainable and budget appropriate;
- are looking for a revolving line of credit for purchases ranging between \$1 and \$20,000;
- are seeking to smooth cashflow by paying bills of up to \$1,000 upfront and repaying them over 3 months;
- who want an affordable credit product that has capped fees and does not charge interest;
- who have sufficient income to be able to afford credit at the level requested.

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 or New Zealand 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
- Have a source of income.
- The key product attributes of the Payright BNPL Product are:
- Credit limits of \$1 to \$20,000;

- Repayment terms of 2 months to 5 years depending on the value of the purchase, the customer's preferences and merchant preferences;
- Payment of bills up to \$1,000 repayable over 3 months;
- No interest charged ever;
- Capped customer 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 needs, and in particular, the Payright BNPL product has been developed to provide a solution to the identified consumer, being the budget conscious consumer seeking a simple, easily accessible, controlled and affordable credit options for purchases to support and enhance their and their families' lives and lifestyles with flexible repayment options that are both sustainable and 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 access to cash or a physical card to make purchases;
- Have no source of income;
- Require credit in an amount higher than \$20,000;
- Require credit for a period of less than 2 months or more than 5 years;
- Wish to make a purchase for commercial purposes; or
- Are looking to make purchases in the any of the following industries:
 - gambling or betting;
 - drug stores & pharmacies;
 - tobacco and smoking stores;
 - Prostitution, pornography, eroticism, or sexual activity entertainment;
 - Weapons or munitions; or
 - Illegal activities;
- Want to pay a bill greater than \$1,000 or a bill that is not an eligible bill type such as a penalty notice from a government authority. For more information, refer to the Payright website at <https://bills.payright.com.au/bills/>

4. How is this product distributed?

Distribution channels

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

- Via Payright Merchants in-store, via telephone or face-to-face
- Via Payright Merchants through their online check-out
- Via the Payright App,
- For bill payments, only via Payright through the Payright website at <https://bills.payright.com.au/bills>

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 to customers purchasing the Merchant's goods and services – this is consistent with the target consumer's need to make purchases of goods or services on credit, as Payright BNPL product is not suitable for purchasers who need cash or a loan for an unspecified purchase and allows Payright to exclude certain industries, such as gambling. It also allows Payright to ensure the Payright BNPL product is distributed via Payright Merchants who are trained and supported by Payright to ensure the product is properly sold;
 - All applications for the Payright BNPL Product must be made by the customer directly to Payright either independently by the customer via the Payright App or the merchants ecommerce online checkout or via the Payright application portal (with assistance from the merchant) – this enables Payright to control the application process such that credit is only offered to people who need credit within the available credit limits and repayment terms and who have a source of income;
- For bill payments, the Payright BNPL Product is only available directly from Payright via the Payright website at <https://bills.payright.com.au/bills> - this assists Payright to control how the product is explained to consumers and to limit the credit to appropriate bills.

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 every 2 years from the initial 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 large number of complaints);• distribution conditions found to be inadequate through a material increase in customer decline rates, customer complaints, increase in hardship applications, collections activity, write-offs or account closures that reasonably suggest the TMD is no longer appropriate;• 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.

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 Payright BNPL Product to complaint directly to Payright. 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 consumers and liaise with the Distributors as required.</p>
Significant dealings	<p>Distributors are required to report if they become aware of a significant dealing 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 large number 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.