

TMD for Zip Pay



Purpose

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of Zip's design and distribution framework for the product.

This document is not a product disclosure statement or a full summary of the product's terms and conditions, and is not intended to provide financial advice. Consumers interested in acquiring the product should refer to Zip's website (<https://zip.co/au>) for detailed product information.

Issuer	ZipMoney Payments Pty Ltd
Product name	Zip Pay
TMD Version effective date:	17 August 2023
Version:	V2.3
Product description	Zip Pay is a line of credit facility established with a specified credit limit (up to \$1,000, or up to \$2,000 in some circumstances) available to a consumer with no fixed term for everyday spend amounts. This product is available to a retail consumer base and facilitates consumers to make multiple and ongoing purchases up to their approved limit.

Target Market

This product has been designed for the class of consumer which meets the below requirements.

TMD Element	Details	
Target Market	Eligibility Criteria	The eligibility criteria of this product includes that consumers must: <ul style="list-style-type: none"> ● be at least 18 years of age; ● be an individual; ● be an Australian citizen or permanent resident; ● have an Australian credit or debit card; ● have a valid email address and mobile number; and ● meets Zip’s credit assessment criteria.
	Excluded consumers	This product would not be suitable for the following types of consumers: <ul style="list-style-type: none"> ● a consumer who does not meet Zip’s credit assessment criteria; ● a consumer who would like face to face customer service; ● a consumer who would like access to cash; and ● a consumer who would like a greater line of credit than what is offered through Zip Pay.
	Needs & Objectives	The product is designed for individuals who: <ul style="list-style-type: none"> ● require a line of credit of up to \$1,000 (or up to \$2000 in some circumstances) to purchase a desired or needed good, service and/or pay bills; ● require a digital product; ● require a flexible line of credit; and ● want an interest free line of credit.

	<p>Financial Situation</p>	<p>The product is designed for consumers who meet our credit assessment criteria and want to manage repayments flexibly (as and when they are due) by:</p> <ul style="list-style-type: none"> • making minimum monthly repayments (including fees, if any), in order to spread the cost of repayments overtime and/or assist in budgeting and cashflow smoothing; and/or • making higher monthly repayments, including repaying their balance in full in order to assist in avoiding monthly account fees.
<p>Key Product Attributes</p>	<p>The product includes the following key attributes:</p> <ul style="list-style-type: none"> • an interest free line of credit with a credit limit of up to \$1,000, or up to \$2,000 in some cases; • a digital product; • monthly account fees and late fees may apply. For more information, please click here; • a consumer may transact on an ongoing basis up to their credit limit, should their account be up to date and they meet Zip’s drawdown criteria;¹ • ability to finance payments to authorised merchants for personal purposes, including to finance the purchase of goods and services; • ability to pay bills via BPAY functionality; and • ability to update repayment frequency to suit their schedule (subject to minimum monthly repayments). 	
<p>Target Market Appropriateness</p>	<p>The Zip Pay product (and the Zip Pay product's key attributes) is likely to be consistent with the objectives, needs and financial situation of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that:</p> <ul style="list-style-type: none"> • the key terms, features and attributes of the Zip Pay product are consistent with the likely needs and objectives and financial situation of the identified class of consumers as described above; and • confirmation that the Zip Pay product has been designed, and its terms drafted, to meet those likely objectives, needs and financial 	

¹ **Drawdown** means the advance or borrowing of money under your Zip Pay Account.

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Please note that more detailed information on product terms, features and attributes can be found on the Zip website (<https://zip.co/au>).

Distribution Conditions

Zip defined a set of permitted distribution channels and associated distribution conditions or restrictions. These distribution conditions will be reviewed if distribution channels change.

TMD Element	Details
Distribution Conditions	Zip Pay is distributed digitally by Zip through ² :
	Zip website (online): to individuals who meet the eligibility criteria.
	Zip mobile app: to individuals who meet the eligibility criteria.
	Zip Pay can also be distributed by third party comparison websites. The product should only be distributed by these third parties in accordance with the applicable agreement between Zip and the third party. ³
Distribution Appropriateness	It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed. The distribution conditions are appropriate and will direct distribution towards the target market for whom the product has been designed (for example consumers with digital experience given this product is distributed and administered online).

² Risks relating to the distribution of Zip Pay digitally are monitored ongoing by Zip and its dedicated Securities teams.

³ When third party comparison websites are used to distribute the Zip Pay product, monitoring occurs by Zip of the activities of this distribution. For example, it is a requirement that a third party comparison website distributor provides Zip with ongoing information such as any complaints received.

Product Review

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

TMD Element	Details	
Review Period (initial)	Within 12 months of the effective date (by 5 October 2022).	
Review Period (ongoing)	At least every 12 months from the last review or earlier, as required.	
Review Triggers	Zip internally sets thresholds for these review triggers (where appropriate) and monitors performance against these thresholds, in Zip governance forums. Where Zip determines that one of the below review triggers has occurred, a review of this TMD will be performed to ensure the product remains suitable for the target market:	
	External Environment	Significant changes to the external environment that would reasonably suggest that this TMD is no longer appropriate, including the regulatory / legislative environment for the product, as well as the economic and market conditions.
	Notification from ASIC	The use of ASIC's Product Intervention Powers (PIP), regulator orders or directions with regard to this product that would reasonably suggest that this TMD is no longer appropriate.
	Material Change	A material change to the key product attributes or terms and conditions that would reasonably suggest that this TMD is no longer appropriate.
	Complaints	As measured through internal metrics, a significant number or significantly increased number of complaints are received from consumers who have applied for, acquired and/or used the product, with respect to the design, functionality, outcome and distribution of the product, which would reasonably suggest that this TMD is no longer appropriate.
	Consumer Behaviour	An observation based on product / consumer analysis of a material consumer behaviour and

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		product usage that would reasonably suggest that this TMD is no longer appropriate. Metrics monitored for customer behavior would include data on items such as missed payments and financial hardship.
	Significant Dealing	Occurrence of a significant dealing that would reasonably suggest that this TMD is no longer appropriate.

Reporting

Zip will collect the following distribution information from external providers who distribute the product.

TMD Element	Details
Reporting Information	Distributors will report if they become aware of a significant dealing in the product immediately (and in any case, no more than 10 business days after becoming aware of the significant dealing).
Complaints Reporting	Distributors will report all complaints they receive in relation to the product every three months, including customer information and details of the complaint.
Compliance Reporting	Zip will report information as required to ASIC. For example, Zip must notify ASIC within 10 business days of becoming aware of a significant dealing (except excluded dealings) in a financial product that is not consistent with the product's TMD.